BEST AVAILABLE COPY

Commonwealth of Kentucky
Comprehensive Annual Financial Report
for the Year Ended June 30, 1993

Brereton C. Jones, Governor

Prepared by:
Finance and Administration Cabinet
W. Patrick Mulloy, II, Secretary

Department for Administration
Donald R. Speer, Commissioner

Division of Accounts
Edgar C. Ross, Director

Division of Printing
Pam Burns, Director

The cost of printing was paid from state funds pursuant to KRS 57.375
Printed on recycled paper

Brereton C. Jones
Governor

COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

BRERETON C. JONES
GOVERNOR

THE CAPITOL
700 CAPITAL AVENUE
FRANKFORT 40601
(502) 564-2611

January 14, 1994

My Fellow Kentuckians:

I am pleased to offer Kentucky's Comprehensive Annual Financial Report for the Year Ended June 30, 1993, to the Commonwealth's taxpayers, investors, creditors, and other users of the Government's financial statements.

This report has been prepared by the Finance and Administration Cabinet and audited by the Office of the Auditor of Public Accounts. It fairly presents and fully discloses Kentucky's financial position and results of financial operations as measured by the financial activity of the various funds and contains all appropriate disclosures necessary for the reader to gain maximum understanding of the Commonwealth's financial affairs.

Sincerely,

Brereton C. Jones

AN EQUAL OPPORTUNITY EMPLOYER M/F/H

CONTENTS

INTRODUCTORY SECTION

Letters of Transmittal 2
Certificate of Achievement for Excellence in Financial Reporting 13
Condensed Summary Data 14
Organizational Chart and List of Principal Officials 16

FINANCIAL SECTION

Report of the Auditor of Public Accounts 18

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet -
All Fund Types and Account Groups 22
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Funds 24
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/
Fund Equity - Budget and Actual (Budgetary Basis) - All Budgeted Fund Types 26
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/
Fund Balances - All Proprietary Fund Types and Similar Trust Funds 28
Combined Statement of Cash Flows -
All Proprietary Fund Types 29
Combined Statement of Revenues, Expenditures, and Other Changes -
All University and College Current Funds 30
Combined Statement of Changes in Fund Balances -
All University and College Funds 32
Index for Notes to Combined Financial Statements 34
Notes to Combined Financial Statements 35

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

General Fund
Balance Sheet 74
Statement of Revenues, Expenditures, and Changes in Fund Balance 75
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Budgetary Basis) 76
Schedule of Revenues by Source 80
Schedule of Expenditures by Function, Cabinet, and Object 81

Special Revenue Funds
Combining Balance Sheet 85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 86
Statement of Revenues, Expenditures, and Changes in Fund Balance - Transportation Fund 87
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - Budgeted Special Revenue Funds 88

Debt Service Fund
Balance Sheet 99
Statement of Revenues, Expenditures, and Changes in Fund Balance 100

Capital Projects Fund
Balance Sheet 102
Statement of Revenues, Expenditures, and Changes in Fund Balance 103
Schedule of Construction in Progress (Budgetary Basis) 104

Enterprise Funds
Combining Balance Sheet - All Enterprise Funds 108
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings - All Enterprise Funds 110
Combining Statement of Cash Flows - All Enterprise Funds 112
Combining Balance Sheet - Other Enterprise Funds 114
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings - Other Enterprise Funds 116
Combining Statement of Cash Flows - Other Enterprise Funds 118
Schedule of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Budgetary Basis) - Budgeted Enterprise Funds 120

Internal Service Funds
Combining Balance Sheet 124
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings 126
Combining Statement of Cash Flows 128
Schedule of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Budgetary Basis) - Budgeted Internal Service Funds 130

Trust and Agency Funds
Combining Balance Sheet 134
Combining Balance Sheet - Pension Trust Funds 136
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Expendable Trust Funds 138
Combining Statement of Revenues, Expenses, and Changes in Fund Equity - Pension Trust Funds 140
Combining Statement of Changes in Assets and Liabilities - All Agency Funds 142
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - Budgeted Expendable Trust Fund 143

General Fixed Assets Account Group
Schedule of General Fixed Assets by Source 146
Schedule of General Fixed Assets by Function and Activity 147
Schedule of Changes in General Fixed Assets by Function and Activity 148

University and College Funds
Combining Balance Sheet -
All University and College Funds 150

STATISTICAL SECTION

Revenues by Source - All Governmental Fund Types -
For the Last Ten Fiscal Years 153
Expenditures by Function - All Governmental Fund Types -
For the Last Ten Fiscal Years 153
Description of Tax Sources - All Governmental Fund Types 154
Assessed and Estimated Actual Value of Taxable Property -
For Calendar Years 1983 through 1992 156
Property Tax Levies and Collections - For Fiscal Years 1983 through 1992 156
Ratio of General Long-Term Bonded Debt to Assessed Value and Debt Per Capita -
For the Last Ten Fiscal Years 157
Ratio of Annual Debt Service for General Bonded Debt to Total Expenditures -
General Governmental Functions - For the Last Ten Fiscal Years 157
State Parks Fund Revenue Bond Coverage - For the Last Ten Fiscal Years 158
University and College Funds - Revenue Bond Coverage -
For the Last Ten Fiscal Years 158
Demographic Statistics - For Calendar Years 1983 through 1992 159
Construction and Bank Deposits - For Calendar Years 1983 through 1992 159
Sources of Personal Income - For Calendar Years 1983 through 1992 160
Largest Manufacturers - Ranked by Number of Employees - 1993 161
Entity Risk Pools 162
Schedule of Miscellaneous Statistics 163

Photos are courtesy of the Tourism Cabinet and the Office of Creative Services.

INTRODUCTORY SECTION

BRERETON C. JONES
GOVERNOR

OFFICE OF THE SECRETARY
FINANCE AND ADMINISTRATION CABINET
383 CAPITOL ANNEX
FRANKFORT, KENTUCKY 40601
(502) 564-4240
(502) 564-6785 FAX

W. PATRICK MULLOY, II
SECRETARY

January 14, 1994

The Honorable Brereton C. Jones
Governor, Commonwealth of Kentucky
The Capitol Building
Frankfort, Kentucky 40601

Dear Governor Jones:

INTRODUCTION

In accordance with Section 48.800 (3) of the Kentucky Revised Statutes (K.R.S.), it is my pleasure to transmit to you the Comprehensive Annual Financial Report of the Commonwealth of Kentucky for the Fiscal Year Ended June 30, 1993. This report is prepared by the Finance and Administration Cabinet, Division of Accounts, which is responsible for the accurate, complete, and fair presentation of the data contained herein. The information presented fully describes the Commonwealth's financial position and results of operations as measured by the financial activity of the various funds. All appropriate disclosures necessary for the reader to gain the maximum understanding of Kentucky's financial affairs are included.

The report is presented in three sections: introductory, financial, and statistical. The introductory section includes the transmittal letters, the 1992 Certificate of Achievement, condensed summary data charts, and the government's organizational chart and list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Reporting Entity and its Services

This report includes all funds, account groups, and component units controlled by or dependent on the Commonwealth. Determination of "controlled by or dependent on" is based on criteria established by the Governmental Accounting Standards Board in its Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. These criteria are: selection of governing authority, appointment of management, constitutional officers' ability to significantly influence operations, accountability for fiscal operations, and scope of public service. The component units meeting one or more of these criteria are: The Kentucky Lottery Corporation; Kentucky Center for the Arts, Incorporated; Kentucky Agricultural Finance Corporation; Kentucky Local Correctional Facilities Construction Authority; Kentucky Housing Corporation; Kentucky Infrastructure Authority; Kentucky Higher Education Student Loan Corporation; Kentucky Educational Savings Plan Trust; and, Kentucky Economic Development Finance Authority.

The Commonwealth provides the full range of services contemplated by statute, including economic development, educational and human services, energy and natural resources management, law enforcement, correctional and public protection services, transportation, public improvements, and general legislative, administrative, and judicial services.

ECONOMIC CONDITION AND OUTLOOK

Real gross domestic product (GDP), an inflation adjusted measure of the total output of goods and services produced in the United States, averaged a growth of 3.1 percent in 1993. Even as the economy strengthens in terms of increased investments and industrial production, the structural downsizing that took place during the recent recession, has taken its toll on employment. The unemployment rate averaged 7.2 percent in 1993. Nonagricultural employment, has however, begun to recover. After a decline of 0.6 percent in 1992, nonagricultural employment increased by 1.0 percent in 1993.

The current recovery has been helped by low interest rates which have resulted in strong gains in housing starts as well as increased investment in producer's durables.

Kentucky's economy has consistently outperformed the nation since 1988 in terms of both increases in personal income and growth in employment. In 1993 Kentucky's personal income grew by 6.7 percent, and nonagricultural employment increased by 2.2 percent. Manufacturing employment has been declining nationally, but registered an increased 2.1 percent in Kentucky.

Real GDP is expected to grow at a moderate 2.6 percent in 1994. U.S. nonagricultural employment is forecasted to grow by 1.7 percent in 1994, compared to the expected 2.8 percent growth in Kentucky. Personal income is estimated to increase by 5.1 percent nationally and 5.7 percent in Kentucky. Manufacturing employment is expected to continue to decline in the U.S., but increase slightly in the Commonwealth. Overall, both the U.S. and Kentucky economies will move along a path of moderate growth.

MAJOR INITIATIVES

1993 marked the first full year of the 1992-94 biennial budget. The initiatives that had been enacted in 1992 began to be implemented at the same time that the state's fiscal condition remained problematic. As a consequence, state spending was curtailed and efforts were begun to effect reform from within. Among these initiatives were comprehensive health care reform, executive budget cutbacks to accommodate mid-year revenue shortfalls, initiation of a far-reaching Quality and Efficiency Commission review aimed at "reinventing Kentucky state government," refinancing of outstanding debt to take advantage of lower interest rates, legislative ethics reform, and continued progress on the landmark Kentucky Educational Reform Act.

Health Care Reform - The Jones Administration announced its goals for Health Care Reform and began developing a plan of action to accomplish its goals. The key considerations were stated to be universal coverage of all Kentuckians at affordable costs. The Administration's plan anticipated many of the initiatives unveiled in the Presidential election and in the Clinton Administration's Health Care Reform Package. In pursuit of the ambitious goals, statewide forums were conducted to elicit citizen and provider input. A Special Session devoted to health care issues was convened in May, 1993, which enacted a broad-based provider tax reform measure to fund the state Medicaid Program . A joint Task Force was established with the Kentucky General Assembly to continue to pursue a specific plan of action.

Budget and Revenue Issues - The Commonwealth continued to struggle financially as the General Fund experienced a revenue shortfall of $185 million in 1993. (This included about $100 million in residual income tax refunds that were "held over"). The shortfall occurred despite the fact that Kentucky's personal income growth ranked in the top five nationally and most economists believed that Kentucky escaped the worst effects of the national recession. The structural problems in the state's revenue base, which these anomalous events made apparent, gave rise to a tax reform policy group which began to study the components of the state's revenue system in anticipation of future legislative action.

The revenue shortfall and resulting budget cutbacks involved hiring freezes and an absolute reduction in the state workforce of 468 positions, of which 403 were permanent, full time. In an effort to rein in a burgeoning state motor vehicle fleet, the number of "take home" state vehicles was severely curtailed by Executive Order and a program announced to downsize the state's fleet by up to 50 percent. Restrictions were also placed on discretionary travel, capital outlay, and other non-essential spending to hold down costs. Specific management emphasis was placed on consolidating and eliminating central office staff so that field operations and service delivery systems could be maintained and improved.

Government Reform - The Governor's Commission on Quality and Efficiency was established by Executive Order to conduct the first comprehensive review of state government organization, service delivery, personnel, human resources, and technology issues since at least the early 1980s.

The Commission was comprised of 55 individuals from both the private and public sectors and was supported by a national consulting firm, as well as loaned private sector executives and experienced state government employees. This unique blend of talent and experience became a national model.

Final recommendations from the Commission were targeted for the 1994 General Assembly, although the broad outlines of the Commission's report began to be formulated in 1993. Many of the ideas behind the Commission's work evolved from the nationwide "reinventing government" movement later embraced by Vice President Gore and the Clinton Administration, as well as numerous other states.

Cost Savings by Refunding Outstanding Debt - Unprecedented amounts of outstanding state debt were refunded in 1993 due to an aggressive state policy aimed at capturing cost savings attributable to favorable interest rates and a solid credit rating environment. Some fifteen issues were refunded, totalling approximately $1.08 billion, with a net present value savings of approximately $52 million to the Commonwealth. During this same fiscal period, few new bond issues were sold although the Commonwealth did proceed with Phase II of the Economic Development Road Bond program issued by the Turnpike Authority, as well as with smaller new issues improving Economic Development, infrastructure, and school financing.

Kentucky Education Reform Act - 1993 saw a continued commitment to Education Reform in Kentucky with support of all essential elements of the landmark 1990 Kentucky Education Reform Act intact. Progress was made in the three key policy initiatives embodied in the Kentucky Education Reform Act: governance, curriculum, and finance. In fact, elementary and secondary education and its reform components were exempted from the 1993 budget cutbacks to preserve their priority and continue the reform momentum. Progress remained on track and enjoyed broad support despite the austere fiscal environment.

FINANCIAL INFORMATION

The Accounting System and Budgetary Controls

The Commonwealth's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The governmental funds, expendable trust funds, and agency funds are presented on the modified accrual basis of accounting whereby revenues are recognized when measurable and available, and expenditures are recognized when goods or services are received and the related liabilities are incurred. The proprietary and pension trust funds are presented on the accrual basis of accounting with all revenues and expenses recognized when the transactions occur, regardless of when related cash is received or disbursed. The university and college funds are reported in conformance with GAAP as prescribed by the AICPA audit guide, Audits of Colleges and Universities.

In developing and operating the Commonwealth's accounting system, emphasis is placed on the adequacy of internal accounting controls. They are designed to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that financial records are reliable for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived from their use, and that such cost-benefit evaluation requires estimates and judgements by management. All internal control evaluations occur within this framework.

Budgetary control is maintained at the budget unit level described in the Notes to Combined Financial Statements by the encumbrance of estimated purchase amounts prior to the release of contracts to vendors. Contracts which result in overruns of available balances are not released until budget revisions are approved or additional appropriations are made. Open encumbrances are reported as reservations of fund balances in the Commonwealth's Special Revenue, Capital Projects, and University and College Funds at June 30, 1993.

General Fund Condition - Budgetary Basis

General Fund revenue on a budgetary basis for 1993 was $4.53 billion, an increase of 3.2% over 1992. This amount includes $4.51 billion in tax and non-tax receipts, and $20.36 million of Operating Transfers In. Taxes represented 95.4% of all General Fund revenue collected during the period. The amounts and percentages of 1993 revenue derived from specific sources and the changes from 1992 are shown below (expressed in thousands) and are illustrated in Chart 1.

General Fund Revenue and Other Financing Sources - Budgetary Basis

Revenue Source	Amount	Percent of Total	Increase (Decrease) from 1992 Amount	Increase (Decrease) from 1992 Percent
Individual Income Tax	$ 1,733,415	38.3%	$ 54,889	3.3%
Sales and Gross Receipts Taxes	1,615,275	35.6%	100,906	6.7%
Property Taxes	354,758	7.8%	16,210	4.8%
Corporate Income Tax	254,775	5.6%	(16,252)	(6.0%)
Non-Tax Revenue	189,687	4.2%	(754)	(0.4%)
Coal Severance Tax	180,118	4.0%	(4,984)	(2.7%)
License and Privilege Taxes	89,891	2.0%	5,212	6.2%
Inheritance and Estate Taxes	70,966	1.6%	(6,389)	(8.3%)
Miscellaneous Taxes	22,838	0.5%	2,050	9.9%
Operating Transfers In	20,358	0.4%	(9,486)	(31.8%)
Total General Fund Revenue and Other Financing Sources	$ 4,532,081	100.0%	$ 141,402	3.2%

General Fund expenditures on a budgetary basis for 1993 totaled $4.53 billion, including Operating Transfers Out of $448.61 million. During 1993, expenditures increased by 0.7% and transfers decreased by 9.4% compared to 1992. The general government function includes $643.59 million of expenditures and $3.33 million of transfers for the eight State supported universities, which together amount to 14.3% of the General Fund total. The amounts and percentages of 1993 expenditures for the various governmental functions and the changes from 1992 are shown below (expressed in thousands) and are illustrated in Chart 1.

General Fund Expenditures and Other Financing Uses - Budgetary Basis

Function	Amount	Percent of Total	Increase (Decrease) from 1992 Amount	Increase (Decrease) from 1992 Percent
General Government	$ 949,700	21.0%	$ (32,790)	(3.3%)
Legislative and Judicial	121,062	2.7%	2,480	2.1%
Commerce	82,487	1.8%	(12,090)	(12.8%)
Education and Humanities	2,227,979	49.2%	9,690	0.4%
Human Resources	847,339	18.7%	59,523	7.6%
Justice	213,724	4.7%	(33,461)	(13.5%)
Natural Resources and Environmental Protection	42,989	0.9%	(4,420)	(9.3%)
Public Protection and Regulation	31,285	0.7%	(2,631)	(7.8%)
Transportation	3,593	0.1%	68	1.9%
Non-budgetary Items	6,044	0.2%	(5,990)	(49.8%)
Total General Fund Expenditures and Other Financing Uses	$4,526,202	100.0%	$ (19,621)	(0.4%)

The General Fund had a 1993 budgetary undesignated fund balance of $39,219,406. This is a decrease of $9,624,818 when compared to the 1992 year-end budgetary undesignated fund balance of $48,844,224.

General Governmental Functions - GAAP Basis

General governmental functions on a GAAP basis are accounted for in four governmental funds - General, Special Revenue, Debt Service, and Capital Projects. Revenue for general governmental functions totaled $8.51 billion for 1993, an increase of 6.1% over the amount recognized during 1992. The amounts and percentages of 1993 revenue derived from specific sources and the changes from 1992 follow (expressed in thousands) and are illustrated in Chart 2.

Governmental Funds Revenue - GAAP Basis

Revenue Source	Amount	Percent of Total	Increase (Decrease) from 1992 Amount	Percent
Taxes	$ 5,222,041	61.3%	$ 231,494	4.6%
Intergovernmental	2,688,830	31.6%	168,454	6.7%
Licenses, Fees, and Permits	161,510	1.9%	22,633	16.3%
Charges for Services	155,082	1.8%	14,284	10.1%
Other Revenues	134,915	1.6%	54,674	68.1%
Interest and Investments	108,842	1.3%	(3,677)	(3.3%)
Fines and Forfeits	39,972	0.5%	743	1.9%
Total Governmental Funds Revenue	$ 8,511,192	100.0%	$ 488,605	6.1%

Governmental Funds Revenue for 1993 exceeded that for 1992, as restated, by $489 million. Taxes went up $231 million due primarily to collection of $182 million more in Sales and Gross Receipts Taxes and $47 million more in Personal Income Tax, and higher Federal Fund receipts from agencies and instrumentalities of the United States Government caused the $168 million increase in Intergovernmental Revenue. The majority of the $55 million or sixty-eight percent increase in Other Revenue was due to accelerated recovery of delinquent child support payments. And the Commonwealth realized $23 million more from the sale of Licenses, Fees, and Permits. Interest and Investment Income dropped by $4 million due to prevailing market interest rates.

Expenditures, excluding transfers, for general governmental functions on a GAAP basis totaled $8.03 billion for 1993, an increase of 2.9% compared to 1992. The amounts and percentages of 1993 expenditures for various governmental functions and the changes from 1992 are shown below (expressed in thousands) and are illustrated in Chart 2.

Governmental Funds Expenditures - GAAP Basis

Function	Amount	Percent of Total	Increase (Decrease) from 1992 Amount	Percent
General Government	$ 444,901	5.5%	$ 208,805	88.4%
Legislative and Judicial	120,036	1.5%	691	0.6%
Commerce	37,279	0.5%	(4,233)	(10.2%)
Education and Humanities	2,597,056	32.3%	85,292	3.4%
Human Resources	3,129,059	38.9%	212,071	7.3%
Justice	229,972	2.9%	(29,579)	(11.4%)
Natural Resources and Environmental Protection	83,481	1.1%	26,562	46.7%
Public Protection and Regulation	83,322	1.0%	9,434	12.8%
Transportation	874,160	10.9%	(102,666)	(10.5%)
Capital Outlay	151,159	1.9%	(50,506)	(25.0%)
Debt Service	284,323	3.5%	(129,127)	(31.2%)
Total Governmental Funds Expenditures	$ 8,034,748	100.0%	$ 226,744	2.9%

Governmental Funds Expenditures for 1993 exceeded those for 1992, as restated, by $227 million. The eighty-eight percent increase in the General Government Function was largely due to the combined effect of a $70 million swing in General Fund contingent liabilities attributable to a $65 million liability for refund of tax on pensions recognized in 1991 but not paid out in 1992, and $135 million in additional Kentucky Turnpike Authority expenditures recorded in the Other Special Revenue Fund. The thirty-one percent reduction in debt service is due to cost savings of $129 million realized through the issuance of refunding bonds during the reporting period. And, Capital Outlay fell by twenty-five percent due to a $51 million drop in funding for construction projects.

Ending fund balances for all governmental fund types increased 11.4%, from $1.54 billion as restated for 1992, to $1.71 billion in 1993. Of these totals, unreserved fund balances increased 36.9%, from $729 million at June 30, 1992, to $998 million at June 30, 1993.

Debt Administration

The amount of debt service for general bonded debt, the ratio of this amount to total expenditures for general governmental functions, and the amount of debt per capita are useful indicators to citizens, investors, and management regarding the Commonwealth's debt position. These data for 1993 are:

	Debt Service (thousands)	Ratio to Total General Governmental Expenditures	Debt per Capita
General Bonded Debt	$284,323	3.5%	$ 841

The Commonwealth's general obligation bonds are rated "AA" by both Moody's Investors Service and Standard and Poor's Corporation. No such bonds have been issued since 1965. Principal outstanding for general obligation bonds at June 30, 1993, was $30,020,000.

During 1993, Kentucky issued revenue bonds totaling $1,134,183,068 for general governmental functions and supported by governmental fund appropriations. Of this amount, $924,193,574 was for the purpose of defeasing existing debt and funding related reserve accounts. The remaining $209,989,574 issued during the period funded new projects. All issues sold during 1993 were rated "A" or higher by the major rating services. At June 30, 1993, total principal outstanding for revenue bonds paid from governmental fund appropriations was $3,114,017,771.

Cash Management

During 1993, general depository cash in excess of daily requirements and not required for immediate expenditure was invested in securities issued by the United States Treasury, or agencies, instrumentalities, and corporations of the government of the United States, and repurchase agreements and options based in those same securities: short term, high quality bankers' acceptances and commercial paper, limited to a maximum of 20% of the total portfolio; certificates of deposit; and securities issued by the Commonwealth of Kentucky. The maturities for these investments range up to six months for bankers' acceptances and commercial paper; two months for certificates of deposit; 25 years for Kentucky revenue bonds; and 40 months on all other securities. The average yield on such investments in 1993 was 7.66% and the amount of interest received was $134,441,205, excluding pension trust funds. This amount represents a 10.06% decrease in interest earned on temporary investments compared to 1992.

Collateral Policy Regarding Bank Deposits

Daily operating deposits of the Commonwealth are invested in overnight repurchase transactions with primary dealers of the Federal Reserve. These transactions are collateralized by securities of the U.S. Government, its agencies, instrumentalities, and corporations at 102% margin. Any demand deposits that are not invested through overnight repurchase transactions must be fully collateralized with U.S. Treasury securities.

The Commonwealth may also purchase collateralized or uncollateralized bank certificates of deposit if issued by a national or state chartered bank rated in one of the three highest categories by a nationally recognized rating agency.

Risk Management

The Division of Risk Management oversees and coordinates risk management and insurance responsibilities among various state agencies in accordance with KRS 42.0192. Since 1989 an annual cash savings of $175,000 has been achieved, and risk exposures in the amount of $47 million have been eliminated for either uninsured or underinsured state property and buildings.

Currently, the Commonwealth's three major self-insurance programs include: the Fire and Tornado Insurance Fund for property and casualty coverage; the State Employee Benefit Fund for health care coverage; and the State Self Insurance Fund for Workers' Compensation benefits. Financial risks not assumed by these programs are transferred to insurance companies through the purchase of insurance policies by various state agencies.

The Fire and Tornado Insurance Fund consists of "premiums" charged to state agencies and universities. Current annual "premiums" of $4.0 million insure $4.0 billion in property assets. By statute, the Fund must have a reserve of $5,000,000 at the close of each fiscal year. All losses are reinsured to limit fund liability to $300,000 for any one loss to each subject of risk. Earthquake and Flood Coverage for state facilities is available as additional insured perils in the Fund.

The State Employee Benefit Fund self-insures risks of providing health care benefits for approximately 65,000 state employees, employees of local boards of education, employees of local health departments, and retirees under age 65 subscribing to the Kentucky Kare health plan. The state expends $168.91 per employee monthly or $132.8 million annually for this coverage. As of June 30, 1993, the Commonwealth has paid claims of $439.6 million. Funded reserves are maintained to cover claim liabilities, which at June 30, 1993, were $19,478,861.

The State Workers' Compensation Self-Insurance Fund covers state employees other than those of the Transportation Cabinet, which has its own self-insured Workers' Compensation program. At June 30, 1993, the State program had a fund balance of $3.3 million and actuarial claims liability of $28.3 million. The Transportation Cabinet had an additional estimated claims liability of $18.7 million.

Capital Projects Fund

Proceeds of certain bond issues and other appropriated monies to be used for projects related to economic development and the construction, improvement, and maintenance of the Commonwealth's physical plant are accounted for in the Capital Projects Fund until such projects are completed. Completed construction and improvement projects are capitalized in the appropriate proprietary fund or General Fixed Asset Account Group at year end. All uncompleted construction in progress is capitalized in the General Fixed Assets Account Group or appropriate proprietary fund. During 1993, projects costing $31,319,298 were completed.

Proprietary Funds

Combined operating revenues of Kentucky's Enterprise Funds increased from $969.1 million as restated for 1992 to $1.04 billion in 1993. Combined operating expenses increased from $861.1 million as restated for 1992 to $967.0 million in 1993. The Kentucky Lottery Corporation paces Enterprise Fund activity with $487.2 million and $388.1 million in operating revenue and expenses, respectively. Outstanding Enterprise Fund revenue bonds at June 30, 1993, totaled $1.48 billion, of which $842 million is accounted for in the Kentucky Housing Corporation and $324 million is accounted for in the Kentucky Higher Education Student Loan Corporation.

Combined operating revenues and expenses for the Commonwealth's Internal Service Funds amounted to $94.2 million and $91.1 million, as compared to restated 1992 totals of $93.5 million and $109.8 million. The internal service operations provided include, but are not limited to, data processing, telecommunications, property management, and insurance administration.

Proprietary funds receive budgeted operating transfers of General Fund appropriations.

Pension Trust Funds

The Commonwealth administers separate retirement systems for Kentucky employees, State Police officers, public school teachers, judges, legislators, and county employees. Combined total assets for these plans at June 30, 1993, reached $9.7 billion. The aggregate operating revenue of these funds was $1.6 billion at June 30, 1993, including interest and other investment income of $606.5 million. Total operating expenses for all systems during 1993 were $589.6 million, including retirement benefits paid of $513.5 million.

A total of 251,471 eligible individuals participate in the various retirement systems administered by the Commonwealth and accounted for in the Pension Trust Funds. These retirement systems are as follows: Kentucky Employes Retirement System; County Employes Retirement System; State Police Retirement System; Kentucky Judicial Form Retirement System (including both the Judicial Retirement Fund and the Legislators' Retirement Fund); and Kentucky Teachers' Retirement System.

University and College Funds

University and College Current Funds revenue rose from $837.8 million as restated for 1992 to $867.2 million in 1993 for an increase of 3.5%. State appropriations transferred from the General Fund to these funds went down 3.5% to $646.9 million. Current fund expenditures and transfers also decreased 0.3% during 1993 to $1.54 billion.

General Fixed Assets

The general fixed assets of the Commonwealth are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of the Enterprise, Internal Service, Nonexpendable Trust, and University and College Funds. At June 30, 1993, the general fixed assets of Kentucky amounted to $1,217,379,026. This amount represents the valuation of general fixed assets in accordance with GAAP as described in the Notes to the Financial Statements. Depreciation of general fixed assets is not recognized in the Commonwealth's accounting system.

OTHER INFORMATION

Independent Audit

The accompanying financial statements have been audited by the Office of the Auditor of Public Accounts of the Commonwealth of Kentucky. Their audit was conducted in accordance with generally accepted government auditing standards, and the report of the independent auditor appears elsewhere in this report.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commonwealth of Kentucky for its Comprehensive Annual Financial Report for the year ended June 30, 1992. This is the sixth consecutive year the Commonwealth has received this prestigious award.

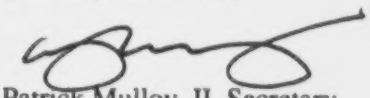
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Acknowledgements

The preparation of this report could not have been accomplished without the cooperation of all branches and agencies of the Commonwealth. The professionalism demonstrated by the staffs of the Finance and Administration Cabinet's Divisions of Accounts and Printing, as well as the Office of the Auditor of Public Accounts, is especially noteworthy. Their combined dedication made the publication of this report possible.

Respectfully submitted,



W. Patrick Mulloy, II, Secretary
Finance and Administration Cabinet

Kentucky State Capitol, built 1905-1910. Beaux-Arts Design. Considered one of the most beautiful capitol buildings in the country.

BRERETON C. JONES
GOVERNOR

W. PATRICK MULLOY, II
SECRETARY

FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR ADMINISTRATION
DIVISION OF ACCOUNTS
CAPITOL ANNEX BUILDING
702 CAPITAL AVENUE, ROOM 484
FRANKFORT, KENTUCKY 40601-3454
(502) 564-7750
FAX (502) 564-7882

DONALD R. SPEER
COMMISSIONER

EDGAR C. ROSS
DIRECTOR

January 14, 1994

The Honorable W. Patrick Mulloy, II
Secretary, Finance and Administration Cabinet
383 New Capitol Annex
Frankfort, Kentucky

Dear Secretary Mulloy:

Pursuant to Section 48.800 (3) of the Kentucky Revised Statutes, the Comprehensive Annual Financial Report (CAFR) of the Commonwealth of Kentucky for the fiscal year ended June 30, 1993, is submitted herewith. It contains all funds, account groups, and entities that are controlled by or dependent on the Commonwealth based on the criteria developed by the Governmental Accounting Standards Board (GASB) in its Codification of Governmental Accounting and Financial Reporting Standards, Section 2100.

The basis of accounting upon which the report has been prepared complies with Generally Accepted Accounting Principles (GAAP) for state governments as prescribed by both GASB and the American Institute of Certified Public Accountants' (AICPA) publication Audits of State and Local Governmental Units, except for the university and college fund financial statements which have been prepared in accordance with GAAP as prescribed by the AICPA's Audits of Colleges and Universities.

The information presented fairly and fully discloses the financial position and results of financial operations of the Commonwealth for the reporting period as measured by the financial activity of the various funds. All appropriate disclosures necessary to assist readers in their understanding and evaluation of Kentucky's financial condition have been included in this report.

Respectfully submitted,

Edgar C. Ross, Director
Division of Accounts

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Commonwealth of Kentucky

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1992

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Arnold L. Hahn
President

Jeffrey L. Esser
Executive Director

Chart 1
General Fund - Budgetary Basis
Fiscal Year 1993

(amounts in billions)

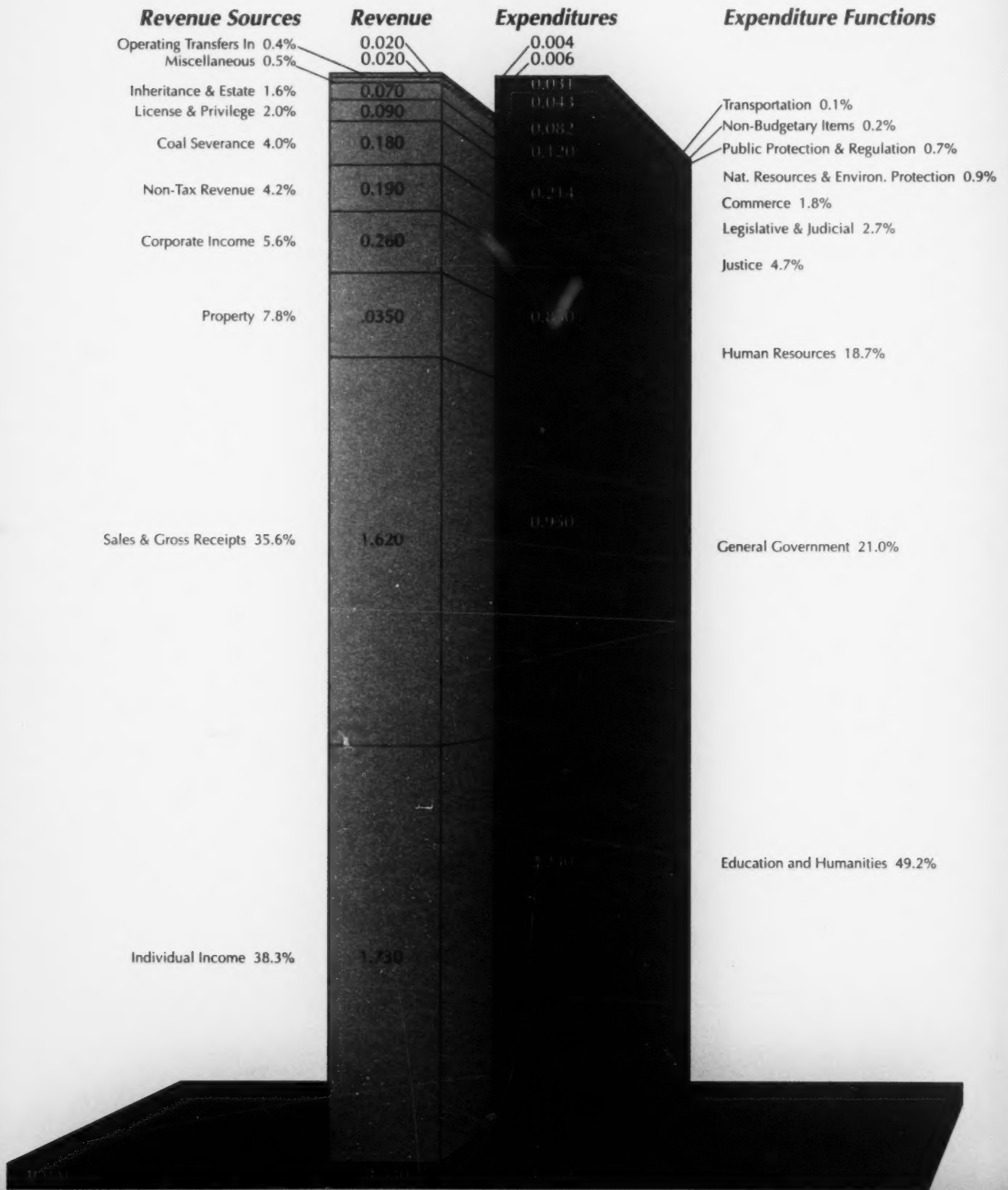
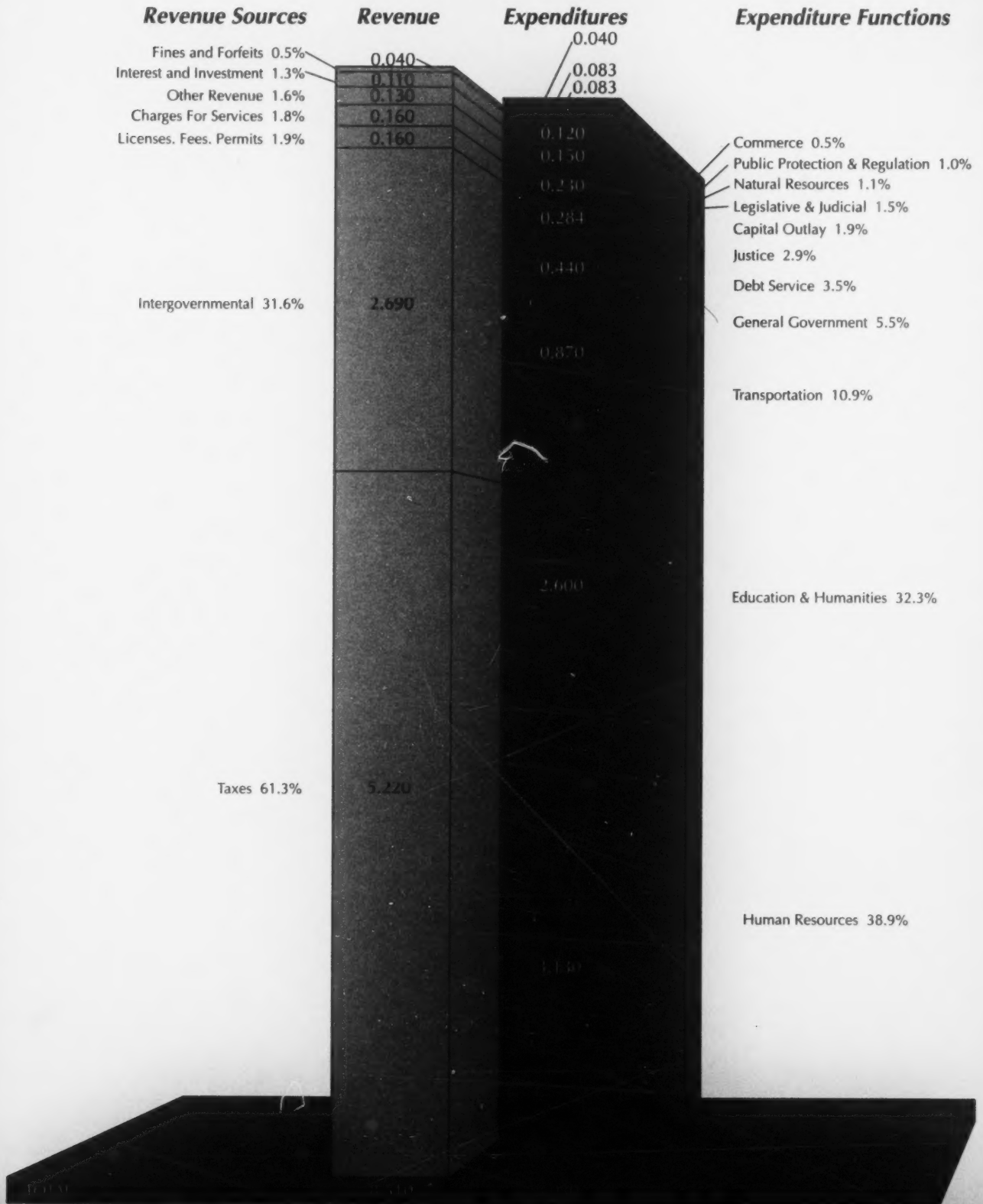
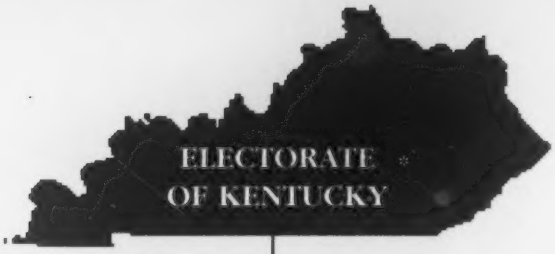


Chart 2
Governmental Funds - GAAP Basis
Fiscal Year 1993

(amounts in billions)





LEGISLATIVE BRANCH

EXECUTIVE BRANCH

JUDICIAL BRANCH

Lieutenant Governor
Paul E. Patton

Governor
Brereton C. Jones

Attorney General
Chris Gorman

Secretary of State
Bob Babbage

Auditor of Public Accounts
A. B. Chandler III

Treasurer
Frances Jones Mills

Secretary of the
Executive Cabinet
Kevin J. Hable

Commissioner of Agriculture
Ed Logsdon

Workforce Development Cabinet
William D. Huston

Economic Development Cabinet
Marvin E. Strong, Jr.

Education and Humanities Cabinet
Sherry K. Jelsma

Finance and Administration Cabinet
W. Patrick Mulloy, II

Human Resources Cabinet
Fontaine Banks, Jr.

Justice Cabinet
Billy G. Wellman

Labor Cabinet
Carol M. Palmore

Natural Resources and Environmental Protection Cabinet
Phillip J. Shepherd

Public Protection and Regulation Cabinet
Edward J. Holmes

Revenue Cabinet
Kim Burse

Tourism Cabinet
Crit Luallen

Transportation Cabinet
Don C. Kelly

* Principal Officials at June 30, 1993

FINANCIAL SECTION

COMMONWEALTH OF KENTUCKY
AUDITOR OF PUBLIC ACCOUNTS

A. B. CHANDLER III

144 CAPITOL ANNEX
FRANKFORT 40601

Independent Auditor's Report

To the People of Kentucky
Honorable Brereton C. Jones, Governor
Mr. W. Patrick Mulloy II, Secretary
Finance and Administration Cabinet

We have audited the general purpose financial statements of the Commonwealth of Kentucky as of and for the year ended June 30, 1993, as listed in the table of contents. These financial statements are the responsibility of the Commonwealth's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of certain organizational units within the governmental fund types; the public corporations (except for the Kentucky Agricultural Finance Corporation), the State Fair Board, and a portion of the Insurance Administration and Risk Management Funds within the proprietary fund types; the Pension Trust Funds and certain organizational units of the Expendable Trust and Agency Funds within the fiduciary fund types; and the university and college fund types. These organizational units represent total assets of 63, 88, 95, and 100 percent; total revenues of 44, 72, 98, and 100 percent; and total expenditures/expenses of 49, 54, 98, and 100 percent, respectively, of the related combined totals of the governmental fund types, proprietary fund types, fiduciary fund types, and university and college fund types. We also did not audit certain fixed assets of the General Fixed Assets Account Group or fixed asset and related accounts in the organizational units of the proprietary fund types not covered in the previous sentence. Those accounts represent 96 percent of the General Fixed Assets Account Group, and 3.8 and 1.3 percent of the proprietary fund types' assets and expenses, respectively. In addition, we did not audit certain long-term obligation accounts which comprise 50 percent of the total liabilities in the General Long-Term Obligations Account Group. These organizational unit financial statements, and fixed asset and general long-term obligation accounts were audited by other auditors whose reports thereon were furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the organizational units, the fixed assets, and the long-term obligations referred to above, is based solely on the reports of other auditors.

We conducted our audit in accordance with generally accepted government auditing standards, except for the university and college fund types which were audited partially in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Commonwealth of Kentucky as of June 30, 1993, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

As disclosed in Note 16 to the combined financial statements, the Revenue Cabinet is involved in litigation relative to sales and use tax and has indicated that probable refund claims will be significant; however, the amounts to be refunded are not reasonably estimable; therefore, no provision for any liability that may result upon adjudication has been made in the accompanying financial statements. As discussed in Note 2, the Commonwealth changed its practice of reporting judgements and contingent liabilities, primarily relating to taxes, in the Risk Management Fund within the Internal Service Fund; this change had the effect of reducing the beginning fund equity of the Internal Service Fund and increasing the beginning General Long-Term Obligations Account Group liabilities by $646,741,000.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules included in this report on pages 72 through 151 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Commonwealth of Kentucky. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements. In our opinion, based on our audit and the reports of other auditors, the combining and individual fund and account group statements and schedules are fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The Introductory and Statistical Sections presented in this report on pages 1 through 16 and 152 through 163 were not audited by us, and, accordingly, we do not express an opinion thereon.

Respectfully submitted,

A. B. Chandler III

A. B. Chandler III
Auditor of Public Accounts

January 14, 1994

GENERAL PURPOSE FINANCIAL STATEMENTS

COMMONWEALTH OF KENTUCKY
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1993
(Expressed In Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
CASH AND CASH EQUIVALENTS (NOTE 5)	$ 111,908	$ 324,295	$ 32,496	$ 98,279
CASH WITH FISCAL AGENTS		22,727	67,780	
CASH ON DEPOSIT WITH FEDERAL GOVERNMENT				
RESTRICTED CASH		545		
INVESTMENTS, NET OF AMORTIZATION (NOTE 5)		791,943	272,156	76,186
RECEIVABLES, NET (NOTE 1)	373,117	458,735	70,208	7,775
INTERFUND RECEIVABLES (NOTE 7)	21,856	156,195	59,029	105
INVENTORIES	12,475	29,308		
PREPAID EXPENSES				
DEFERRED CHARGES				
RESTRICTED ASSETS				
LAND				
IMPROVEMENTS OTHER THAN BUILDINGS				
BUILDINGS				
MACHINERY AND EQUIPMENT				
LESS ACCUMULATED DEPRECIATION				
CONSTRUCTION IN PROGRESS				
OTHER ASSETS		388		
AMOUNTS AVAILABLE FOR DEBT SERVICE				
AMOUNTS TO BE PROVIDED IN FUTURE YEARS FOR RETIREMENT OF GENERAL LONG-TERM OBLIGATIONS				
TOTAL ASSETS	$ 519,356	$ 1,784,136	$ 501,669	$ 182,345
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
ACCOUNTS PAYABLE	$ 155,752	$ 400,886	$ 18,639	$ 11,822
TAX REFUNDS PAYABLE	277,224			
ACCRUED LIABLITIES				
INTERFUND PAYABLES (NOTE 7)	15,418	215,217	4	2,478
CLAIMS LIABILITY				
CLAIMS ADJUSTMENT LIABILITY				
CAPITAL LEASE OBLIGATIONS (NOTE 10)				
NOTES PAYABLE (NOTE 14)				
BONDS PAYABLE (NOTE 14)				
COMPENSATED ABSENCES PAYABLE (NOTE 1)				
AMOUNTS HELD IN CUSTODY FOR OTHERS				
DEPOSITS AND ADVANCE PAYMENTS				
DEFERRED REVENUE	61,822	45,224	67,090	2,913
OTHER LIABILITIES				
JUDGEMENTS AND CONTINGENCIES				
TOTAL LIABILITIES	510,216	661,327	85,733	17,213
EQUITY AND OTHER CREDITS:				
CONTRIBUTED CAPITAL (NOTE1)				
INVESTMENT IN FIXED ASSETS (NOTE 1)				
RETAINED EARNINGS:				
RESERVED FOR:				
REVENUE BOND RETIREMENT				
UNRESERVED				
FUND BALANCE (NOTE 1)				
RESERVED FOR:				
ENCUMBRANCES		152,475		47,432
STATUTORY OBLIGATIONS	65,391	58,134		
CAPITAL OUTLAY				142,397
REVENUE BOND RETIREMENT		1,000	167,165	
EMPLOYEE RETIREMENT SYSTEM				
OTHER SPECIFIC PURPOSES (NOTE 1)	12,475	68,592		
UNRESERVED:				
DESIGNATED FOR HIGHWAY CONSTRUCTION		175,867		
DESIGNATED FOR DEBT SERVICE			248,771	
DESIGNATED FOR UNIVERSITIES AND COLLEGES				
UNDESIGNATED	(68,726)	666,741		(24,697)
TOTAL EQUITY AND OTHER CREDITS	9,140	1,122,809	415,936	165,132
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	$ 519,356	$ 1,784,136	$ 501,669	$ 182,345

SEE ACCOMPANYING NOTES TO COMBINED FINANCIAL STATEMENTS

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		University & College Fund Types	Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	University	June 30, 1993	June 30, 1992
$ 222,846	$ 33,002	$ 1,349,808	$	$	$ 442,457	$ 2,615,091	$ 2,578,682
6,106		177				96,790	93,330
		386,224				386,224	317,382
9,230						9,775	18,231
924,825		8,694,924			529,957	11,289,991	10,160,132
1,346,356	216	221,301			167,843	2,645,551	2,554,602
846	4,365	2,971			40,849	286,216	272,224
7,249	3,751				20,367	73,150	73,491
670	48	632				1,350	1,143
17,279						17,279	20,304
56,756						56,756	54,882
27,824	919		67,759		49,479	145,981	141,899
51,866	370				53,253	105,489	101,415
251,132	10,400	2,831	492,895		1,482,818	2,240,076	2,102,205
69,404	68,807		474,335		480,287	1,092,833	1,092,815
(159,761)	(56,569)					(216,330)	(195,433)
34,860			182,390		112,375	329,625	264,545
4		2			193,780	194,174	190,288
				416,936		416,936	270,585
				3,071,856		3,071,856	3,403,807
$ 2,867,492	$ 65,309	$ 10,658,870	$ 1,217,379	$ 3,488,792	$ 3,573,465	$ 24,858,813	$ 23,516,529
$ 84,388	$ 5,118	$ 105,016	$	$	$ 80,609	$ 862,230	$ 755,806
						277,224	222,767
					45,700	45,700	43,417
3,298	8,828	124			40,849	286,216	283,953
984,094	47,283					1,031,377	964,372
41,166						41,166	41,982
1,216	12,481			1,751	80,076	95,524	91,347
15,500					1,403	16,903	199,600
1,493,411				3,144,038	781,150	5,418,599	5,090,412
4,414	3,634			123,585		131,633	130,685
4,041		426,165			28,428	458,634	370,789
					3,875	3,875	2,528
10,332	1,872	32,193			24,198	245,644	273,049
187,185		2,921		89,882	35,538	315,526	256,517
				129,536		129,536	646,751
2,829,045	79,216	566,419		3,488,792	1,121,826	9,359,787	9,373,975
148,497						148,497	127,446
			1,217,379		1,623,001	2,840,380	2,729,924
296,995						296,995	277,591
(407,045)	(13,907)					(420,952)	(398,068)
					9,172	209,079	231,429
						123,525	92,917
					102,648	245,045	256,963
						168,165	249,228
		9,678,593				9,678,593	8,707,739
					534,658	615,725	553,638
						175,867	146,110
						248,771	23,396
					182,160	182,160	154,639
		413,858				987,176	969,602
38,447	(13,907)	10,092,451	1,217,379		2,451,639	15,499,026	14,142,554
$ 2,867,492	$ 65,309	$ 10,658,870	$ 1,217,379	$ 3,488,792	$ 3,573,465	$ 24,858,813	$ 23,516,529

COMMONWEALTH OF KENTUCKY
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1993

(Expressed in Thousands)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only) For The Year Ended	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	June 30, 1993	June 30, 1992
REVENUES (NOTE 1):							
TAXES	$ 4,275,941	$ 946,100	$	$	$ 204,431	$ 5,426,472	$ 5,184,118
LICENSES, FEES, AND PERMITS	35,437	126,073			998	162,508	138,986
INTERGOVERNMENTAL	4,375	2,662,180		22,275	102,015	2,790,845	2,635,573
CHARGES FOR SERVICES	2,494	152,588			137	155,219	140,892
FINES AND FORFEITS	35,411	4,561			3,470	43,442	41,622
INTEREST AND OTHER INVESTMENT INCOME	22,005	56,446	17,302	13,089	28,222	137,064	148,751
OTHER REVENUES	18	132,776	517	1,604	6,534	141,449	85,635
TOTAL REVENUES	4,375,681	4,080,724	17,819	36,968	345,807	8,856,999	8,375,577
EXPENDITURES:							
CURRENT:							
GENERAL GOVERNMENT	210,359	234,542			19,537	464,438	236,166
LEGISLATIVE AND JUDICIAL	119,575	461			25	120,061	119,361
COMMERCE	17,456	19,823				37,279	41,512
EDUCATION AND HUMANITIES	2,204,889	392,167			545	2,597,601	2,511,815
HUMAN RESOURCES	840,295	2,288,764			337,852	3,466,911	3,266,960
JUSTICE	198,041	31,931				229,972	259,551
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	43,954	39,527				83,481	56,919
PUBLIC PROTECTION AND REGULATION	31,187	52,135				83,322	73,888
TRANSPORTATION	3,719	870,441				874,160	976,826
CAPITAL OUTLAY				151,159		151,159	201,665
DEBT SERVICE:							
PRINCIPAL RETIREMENT			113,658			113,658	224,726
INTEREST AND FISCAL CHARGES			170,226			170,226	188,362
OTHER EXPENDITURES			439			439	362
TOTAL EXPENDITURES	3,669,475	3,929,791	284,323	151,159	357,959	8,392,707	8,158,113
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	706,206	150,933	(266,504)	(114,191)	(12,152)	464,292	217,464
OTHER FINANCING SOURCES (USES):							
OPERATING TRANSFERS IN	120,168	452,527	411,720	29,832	12,146	1,026,393	959,781
OPERATING TRANSFERS OUT	(886,272)	(699,197)	(1)	(20,476)	(16,505)	(1,622,451)	(1,594,472)
PROCEEDS FROM SALE OF BONDS:							
NEW ISSUES		273,972	1,296	19,303		294,571	171,614
REFUNDING ISSUES (NOTE 13)		547,062	135,725			682,787	25,832
PAYMENTS TO REFUNDED BOND ESCROW AGENT		(547,062)	(138,924)			(685,986)	(29,093)
CAPITALIZED LEASES	497	81				578	383
OTHER SOURCES (USES)	191					191	
TOTAL OTHER FINANCING SOURCES (USES)	(765,416)	27,383	409,816	28,659	(4,359)	(303,917)	(465,955)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(59,210)	178,316	143,312	(85,532)	(16,511)	160,375	(248,491)
FUND BALANCE AT JULY 1 (NOTE 2)	65,230	949,131	272,624	250,664	430,369	1,968,018	2,213,493
INCREASE (DECREASE) IN INVENTORIES	3,120	(4,638)				(1,518)	3,013
RESIDUAL EQUITY TRANSFERS							3
FUND BALANCE AT JUNE 30 (NOTE 2)	$ 9,140	$ 1,122,809	$ 415,936	$ 165,132	$ 413,858	$ 2,126,875	$ 1,968,018

SEE ACCOMPANYING NOTES TO COMBINED FINANCIAL STATEMENTS

Governor's Mansion, built 1912. Architectural Plan inspired by Marie Antoinette's summer villa, Petit Trianon. Located East of State Capitol Building.

COMMONWEALTH OF KENTUCKY
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES/FUND EQUITY
BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETED FUND TYPES (NOTE 3)
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	General Fund			Special Revenue		
	Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
REVENUES:						
BUDGETED:						
TAXES	$ 4,337,194	$ 4,322,036	$ (15,158)	$ 670,170	$ 693,436	$ 23,266
LICENSES, FEES, AND PERMITS	23,443	23,036	(407)	84,911	87,144	2,233
INTERGOVERNMENTAL	4,036	4,376	340			
CHARGES FOR SERVICES	1,743	2,185	442	17,760	17,095	(665)
FINES AND FORFEITS	36,087	35,401	(686)	70	55	(15)
INTEREST AND OTHER INVESTMENT INCOME	17,110	18,565	1,455	18,600	17,777	(823)
LOTTERY PROCEEDS	100,000	100,000				
OTHER REVENUES	3,899	3,277	(622)	727	996	269
TRANSFERS IN	16,000	15,873	(127)			
TOTAL BUDGETED REVENUES	4,539,512	4,524,749	(14,763)	792,238	816,503	24,265
NON-BUDGETED:						
TAXES					16,745	
LICENSES, FEES, AND PERMITS					37,496	
INTERGOVERNMENTAL					2,662,310	
CHARGES FOR SERVICES					748,037	
FINES AND FORFEITS					3,893	
INTEREST AND OTHER INVESTMENT INCOME					30,105	
OTHER REVENUES		2,847	2,847		132,333	
TRANSFERS IN (INTERFUND)		4,485	4,485		370,668	
TRANSFERS IN (INTRAFUND)					32,491	
TOTAL NON-BUDGETED REVENUES		7,332	7,332		4,034,078	
TOTAL REVENUES	4,539,512	4,532,081	(7,431)		4,850,581	
EXPENDITURES:						
GENERAL GOVERNMENT	1,003,217	949,700	53,517	1,098,757	811,793	286,964
LEGISLATIVE AND JUDICIAL	129,741	121,062	8,679	1,662	220	1,442
COMMERCE	95,346	82,487	12,859	21,919	20,755	1,164
EDUCATION AND HUMANITIES	2,230,070	2,227,979	2,091	444,070	405,300	38,770
HUMAN RESOURCES	865,161	847,339	17,822	2,699,025	2,280,334	418,691
JUSTICE	216,906	213,724	3,182	75,356	67,590	7,766
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	43,189	42,989	200	59,892	42,990	16,902
PUBLIC PROTECTION AND REGULATION	31,643	31,285	358	65,831	59,030	6,801
TRANSPORTATION	6,933	3,593	3,340	2,141,707	1,086,737	1,054,970
TOTAL EXPENDITURES	4,622,206	4,520,158	102,048	6,608,219	4,774,749	1,833,470
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(82,694)	11,923	94,617		75,832	
OTHER FINANCING SOURCES (USES):						
PROCEEDS FROM SALE OF BONDS				150,000	150,000	
TURNPIKE AUTHORITY				26,381	26,381	
TOTAL OTHER FINANCING SOURCES (USES)				176,381	176,381	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(82,694)	11,923	94,617		252,213	
FUND BALANCE/FUND EQUITY AT JULY 1	98,732	98,732			951,695	
NON-BUDGETED ITEMS		(6,044)	(6,044)		(79,332)	
FIXED ASSET ALLOCATIONS MOVED (TO) FROM TRUST FUND, NET						
RESIDUAL EQUITY TRANSFERS, NET					(309)	
FUND BALANCE/FUND EQUITY AT JUNE 30	$ 16,038	$ 104,611	$ 88,573	$	$ 1,124,267	$

SEE ACCOMPANYING NOTES TO COMBINED FINANCIAL STATEMENTS

Enterprise			Internal Service			Expendable Trust		
Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
$	$	$	$	$	$	$	$	$
	886							
	173,569						205,856	
	639			74,992			127,057	
							15	
	1,795						3,470	
	486			178				
	12,161			4,411			27,486	
	125,835			11,638			1,943	
	315,371			215				
				91,434				
	315,371						365,827	
				91,434			365,827	
138,134	136,617	1,517	86,905	75,448	11,457			
63,144	62,224	920						
1,570	1,488	82						
			9,457	6,393	3,064	364,641	336,232	28,409
10,106	4,376	5,730						
128,207	126,682	1,525	433	390	43			
341,161	331,387	9,774	96,795	82,231	14,564	364,641	336,232	28,409
	(16,016)			9,203			29,595	
	(16,016)			9,203				
	384,502						29,595	
	27,680			35,144				
	15,965			(8,714)			319,767	
	(181)			3,022				
	(119,228)							
				10,885				
$	$ 292,722	$	$	$ 49,540	$	$	$ 349,362	$

COMMONWEALTH OF KENTUCKY
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/ FUND BALANCES - ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1993

(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only) For The Year Ended	
	Enterprise	Internal Service	Pension Trust	June 30, 1993	June 30, 1992
OPERATING REVENUES:					
CHARGES FOR SERVICES	$ 350,569	$ 93,776	$	$ 444,345	$ 434,973
CONTRIBUTIONS			805,162	805,162	749,331
INTEREST AND OTHER INVESTMENT INCOME	164,445		606,497	770,942	754,938
LOTTERY PROCEEDS	486,461			486,461	427,542
OTHER REVENUES	35,810	402	148,759	184,971	100,288
TOTAL OPERATING REVENUES	1,037,285	94,178	1,560,418	2,691,881	2,467,072
OPERATING EXPENSES:					
PERSONAL SERVICES	78,667	34,275		112,942	117,432
UTILITIES, RENTALS, AND OTHER SERVICES	24,688	18,783		43,471	41,256
COMMODITIES AND SUPPLIES	23,809	15,590		39,399	34,266
ADMINISTRATIVE EXPENSES			10,172	10,172	9,669
GRANTS AND SUBSIDIES	10,963	466		11,429	8,018
DEPRECIATION AND AMORTIZATION	19,468	8,672	133	28,273	27,437
BENEFITS			513,524	513,524	460,070
REFUND OF CONTRIBUTIONS			18,917	18,917	18,854
INTEREST	103,133			103,133	118,725
TRAVEL	1,475	122		1,597	1,263
REINSURANCE EXPENSE		771		771	1,686
CLAIMS AND JUDGEMENTS					
CLAIMS EXPENSE	319,752	12,377		332,129	294,093
CLAIMS ADJUSTMENT EXPENSE	(816)			(816)	865
PRIZE EXPENSE	310,116			310,116	263,318
OTHER EXPENSES	75,704	60	46,818	122,582	108,679
TOTAL OPERATING EXPENSES	966,959	91,116	589,564	1,647,639	1,505,631
OPERATING INCOME (LOSS)	70,326	3,062	970,854	1,044,242	961,441
NONOPERATING REVENUE (EXPENSES):					
INTERGOVERNMENTAL REVENUE	1,170			1,170	1,008
GRANTS AND DONATIONS	854			854	705
MEMBERSHIP REVENUE	214			214	211
KENTUCKY CENTER FOR THE ARTS ENDOWMENT	325			325	215
GAIN (LOSS) ON SALE OF FIXED ASSETS	(11)	(295)		(306)	(166)
INTEREST AND OTHER INVESTMENT INCOME	174	144		318	512
INTEREST EXPENSE	(205)	(958)		(1,163)	(753)
JUDGEMENTS AND CONTINGENCIES	(698)			(698)	(4)
OTHER REVENUES (EXPENSES)	787			787	1,004
TOTAL NONOPERATING REVENUES (EXPENSES)	2,610	(1,109)		1,501	2,732
INCOME (LOSS) BEFORE OPERATING TRANSFERS AND EXTRAORDINARY ITEM	72,936	1,953	970,854	1,045,743	964,173
OPERATING TRANSFERS IN	32,254	7,778	47,837	87,869	80,280
OPERATING TRANSFERS OUT	(108,517)	(10,020)	(47,837)	(166,374)	(158,238)
EXTRAORDINARY GAIN (LOSS) ON DEFEASANCE	(4,785)			(4,785)	(561)
NET INCOME (LOSS)	(8,112)	(289)	970,854	962,453	885,654
ADD DEPRECIATION ON FIXED ASSETS ACQUIRED BY CAPITAL GRANTS	4,921			4,921	5,177
INCREASE (DECREASE) IN RETAINED EARNINGS/ FUND BALANCES	(3,191)	(289)	970,854	967,374	890,831
RETAINED EARNINGS/FUND BALANCES AT JULY 1 (NOTE 2)	(106,859)	(13,618)	8,707,739	8,587,262	7,696,433
RESIDUAL EQUITY TRANSFER					(2)
RETAINED EARNINGS/FUND BALANCES AT JUNE 30 (NOTE 2)	$ (110,050)	$ (13,907)	$ 9,678,593	$ 9,554,636	$ 8,587,262

SEE ACCOMPANYING NOTES TO COMBINED FINANCIAL STATEMENTS

COMMONWEALTH OF KENTUCKY
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Proprietary Fund Types		Totals (Memorandum Only) For The Years Ended	
	Enterprise	Internal Service	June 30, 1993	June 30, 1992
CASH FLOWS FROM OPERATING ACTIVITIES:				
CASH RECEIVED FROM CUSTOMERS - PUBLIC	$ 960,849	$ 23,100	$ 983,949	$ 921,982
CASH RECEIVED FROM CUSTOMERS - STATE	55,599	76,841	132,440	151,951
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(520,601)	(35,309)	(555,910)	(438,884)
CASH PAYMENTS FOR EMPLOYEE SALARIES AND BENEFITS	(71,004)	(34,169)	(105,173)	(112,952)
CASH PAYMENTS FOR CLAIMS EXPENSE	(249,716)	(15,030)	(264,746)	(237,435)
CASH PAYMENTS FOR OTHER EXPENSES		(60)	(60)	(10,088)
CASH PAYMENTS (TO) FROM OTHER SOURCES	(27)		(27)	2,792
NET CASH PROVIDED BY OPERATING ACTIVITIES	175,100	15,373	190,473	277,366
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
PROCEEDS FROM BOND ISSUANCE	40,738		40,738	
DEBT RELATED EXPENSES	(101,664)		(101,664)	(62)
OPERATING TRANSFERS-IN FROM OTHER FUNDS	32,599	7,833	40,432	36,472
OPERATING TRANSFERS-OUT TO OTHER FUNDS	(108,508)	(13,291)	(121,799)	(111,955)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(136,835)	(5,458)	(142,293)	(75,545)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(21,016)	(2,091)	(23,107)	(16,291)
PRINICPAL PAID ON REVENUE BOND MATURITIES AND EQUIPMENT CONTRACTS	(159,924)	(4,225)	(164,149)	(196,174)
INTEREST PAID ON REVENUE BOND AND EQUIPMENT CONTRACTS	(71,925)	(958)	(72,883)	(87,760)
PROCEEDS FROM SALE OF EQUIPMENT	84	31	115	190
CONTRIBUTED CAPITAL	19,519		19,519	282
PROCEEDS FROM SALE OF REVENUE BONDS	20,625		20,625	327,177
OTHER PROCEEDS/CHARGES	(1,879)		(1,879)	(1,089)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(214,516)	(7,243)	(221,759)	26,335
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASE OF INVESTMENT SECURITIES	(1,472,137)		(1,472,137)	(1,405,563)
PROCEEDS FROM SALE AND MATURITIES OF INVESTMENT SECURITIES	1,489,155	4,492	1,493,647	1,127,997
INTEREST AND DIVIDENDS ON INVESTMENTS	60,171	178	60,349	72,000
NET CASH USED IN INVESTING ACTIVITIES	77,189	4,670	81,859	(205,566)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(99,062)	7,342	(91,720)	22,590
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	337,244	25,660	362,904	340,314
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 238,182	$ 33,002	$ 271,184	$ 362,904
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
OPERATING INCOME (LOSS)	$ 70,326	$ 3,062	$ 73,388	$ 91,697
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION AND AMORTIZATON	21,638	8,672	30,310	27,294
INTEREST AND INVESTMENT INCOME	(33,232)		(33,232)	(34,520)
MISCELLANEOUS NONOPERATING INCOME (EXPENSES)	(26)		(26)	2,792
CHANGE IN ASSETS AND LIABILITIES:				
(INCREASE) DECREASE IN RECEIVABLES, NET	(55,454)	99	(55,355)	(31,846)
(INCREASE) DECREASE IN INTERFUND RECEIVABLES	75	1,141	1,216	57
(INCREASE) DECREASE IN INVENTORIES	(1,505)	(323)	(1,828)	37
(INCREASE) DECREASE IN PREPAID EXPENSES	157	50	207	47
(INCREASE) DECREASE IN OTHER ASSETS	39,537		39,537	52,991
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	75,584	463	76,047	96,495
INCREASE (DECREASE) IN INTERFUND PAYABLES	2,303	5,189	7,492	993
INCREASE (DECREASE) IN CLAIMS LIABILITY	69,570	(2,565)	67,005	59,356
INCREASE (DECREASE) IN CLAIMS ADJUSTMENT LIABILITY	(816)		(816)	865
INCREASE (DECREASE) IN COMPENSATED ABSENCES	378	16	394	786
INCREASE (DECREASE) IN OTHER LIABILITIES	939		939	(541)
INCREASE (DECREASE) IN DEFERRED REVENUE	(14,374)	(431)	(14,805)	10,863
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 175,100	$ 15,373	$ 190,473	$ 277,366

THE PROPRIETARY FUND ACQUIRED FIXED ASSETS COSTING $22,945(000) THROUGH NON-CASH TRANSACTIONS. CONTRIBUTED CAPITAL TOTALED $6,453(000). CAPITAL LEASES TOTALED $4,192(000). THE PROPRIETARY FUND HAD CASH DOWN PAYMENTS AND TRADE-IN ALLOWANCES ASSOCIATED WITH CAPITAL LEASES OF $10(000) AND $196(000), RESPECTIVELY. MONTHLY PAYMENTS FOR PRINCIPAL AND INTEREST WERE $723(000) AND $169(000), RESPECTIVELY. FIXED ASSETS VALUED AT $12,300(000) WERE ACQUIRED THROUGH SETTLEMENT OF LOANS.

SEE ACCOMPANYING NOTES TO COMBINED FINANCIAL STATEMENTS

COMMONWEALTH OF KENTUCKY
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES
ALL UNIVERSITY AND COLLEGE CURRENT FUNDS
FOR THE YEAR ENDED JUNE 30, 1993

(Expressed in Thousands)

	Unrestricted	Restricted	Totals For The Year Ended June 30, 1993	Totals For The Year Ended June 30, 1992
REVENUES:				
TUITION AND FEES	$ 259,558	$ 6	$ 259,564	$ 239,578
FEDERAL GRANTS AND CONTRACTS	1,058	110,087	111,145	101,657
STATE/LOCAL GRANTS AND CONTRACTS	1,696	10,984	12,680	12,621
PRIVATE GIFTS, GRANTS AND CONTRACTS	1,544	22,920	24,464	25,513
ENDOWMENT INCOME	775	4,363	5,138	5,179
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	38,302	3	38,305	31,958
SALES AND SERVICES OF AUXILIARY ENTERPRISES AND HOSPITALS	310,134	792	310,926	310,406
OTHER REVENUES	100,176	4,800	104,976	110,849
TOTAL CURRENT REVENUES	713,243	153,955	867,198	837,761
EXPENDITURES AND TRANSFERS:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	441,508	16,165	457,673	469,626
RESEARCH	41,995	24,229	66,224	71,626
PUBLIC SERVICE	103,225	29,540	132,765	124,207
ACADEMIC SUPPORT	72,850	7,600	80,450	84,104
LIBRARIES	29,288	707	29,995	30,038
STUDENT SERVICES	58,401	2,744	61,145	60,579
INSTITUTIONAL SUPPORT	93,993	1,987	95,980	98,154
STUDENT FINANCIAL AID	36,020	86,611	122,631	119,974
MAINTENANCE AND OPERATION	81,165	5,321	86,486	88,632
OTHER EXPENDITURES		378	378	228
TOTAL EDUCATIONAL AND GENERAL EXPENDITURES	958,445	175,282	1,133,727	1,147,168
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	71,512	1,552	73,064	64,511
CURRENT FUND - RESTRICTED	746	(746)		
LOAN FUND	114		114	124
UNEXPENDED PLANT FUND	1,825		1,825	2,162
RETIREMENT OF INDEBTEDNESS	209		209	
NON-MANDATORY TRANSFERS FOR:				
CURRENT FUND - UNRESTRICTED	(18,764)	1,421	(17,343)	(16,527)
CURRENT FUND - RESTRICTED	51	(1,366)	(1,315)	(597)
LOAN FUND	70		70	11
ENDOWMENT AND SIMILAR FUND	2,311	1,383	3,694	2,345
FOUNDATIONS	481	901	1,382	74
UNEXPENDED PLANT FUND	14,784	944	15,728	16,530
RENEWAL AND REPLACEMENT	1,842		1,842	842
INVESTMENT IN PLANT	1,377	47	1,424	1,408
TOTAL EDUCATIONAL AND GENERAL	1,035,003	179,418	1,214,421	1,218,051
AUXILIARY ENTERPRISES AND HOSPITALS:				
EXPENDITURES	272,650	4,530	277,180	279,882
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	10,971		10,971	9,988
AUXILIARY ENTERPRISES AND HOSPITALS - UNRESTRICTED	(15)		(15)	(21)
RETIREMENT OF INDEBTEDNESS	502		502	238
NON-MANDATORY TRANSFERS FOR:				
CURRENT FUND - UNRESTRICTED	5,265		5,265	5,625
CURRENT FUND - RESTRICTED	7		7	2
AUXILIARY ENTERPRISES AND HOSPITALS - UNRESTRICTED	(3)		(3)	
UNEXPENDED PLANT FUND	1,877		1,877	5,832
RENEWAL AND REPLACEMENT	25,397		25,397	21,282
TOTAL AUXILIARY ENTERPRISES AND HOSPITALS	316,651	4,530	321,181	322,828
TOTAL EXPENDITURES AND TRANSFERS	1,351,654	183,948	1,535,602	1,540,879
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):				
TRANSFERS FROM THE GENERAL FUND	646,912		646,912	670,724
TRANSFERS (TO)/FROM OTHER STATE AGENCIES	(576)	26,534	25,958	29,751
EXCESS OF RESTRICTED RECEIPTS OVER TRANSFERS TO REVENUES		2,765	2,765	4,120
INDIRECT COST RECOVERED	4,682		4,682	6,585
REFUNDS TO GRANTORS		(279)	(279)	(391)
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	35		35	103
NET INCREASE (DECREASE) IN FUND BALANCE	$ 12,642	$ (973)	$ 11,669	$ 7,774

SEE ACCOMPANYING NOTES TO COMBINED FINANCIAL STATEMENTS

Old Governor's Mansion/Lieutenant Governor's Mansion, built 1796-1798. The oldest official executive residence in the U.S. still in use. Was home to 33 governors and now serves as residence of the lieutenant governor.

COMMONWEALTH OF KENTUCKY
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
ALL UNIVERSITY AND COLLEGE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Current Funds			
	Unrestricted	Restricted	Loan	Endowment and Similar
REVENUES AND OTHER ADDITIONS:				
EDUCATIONAL AND GENERAL REVENUES	$ 396,504	$ 9,000	$	$
AUXILIARY ENTERPRISES AND HOSPITALS REVENUES	310,134	898		
INDIRECT COST RECOVERED	4,682			
RESTRICTED GRANTS AND CONTRACTS		126,309	1,283	70
RESTRICTED GIFTS AND GRANTS	207	15,525	18	28,490
ENDOWMENT INCOME		4,874		
INTEREST AND OTHER INVESTMENT INCOME	398	541	1,555	3,972
EXPENDED FOR PLANT FACILITIES				
RETIREMENT OF INDEBTEDNESS				
OTHER REVENUE AND OTHER ADDITIONS	6,056	376	580	27,604
TOTAL REVENUES AND OTHER ADDITIONS	717,981	157,523	3,436	60,136
EXPENDITURES AND OTHER DEDUCTIONS:				
EDUCATIONAL AND GENERAL EXPENDITURES	958,466	174,729		
AUXILIARY ENTERPRISES AND HOSPITALS EXPENDITURES	272,650	4,530		
REFUNDS TO GRANTORS		261	82	
ADMINISTRATIVE, COLLECTION, AND LITIGATION COSTS		380	509	4
LOAN CANCELLATIONS			1,027	
PAYMENT TO BENEFICIARIES				23
EXPENDED FOR PLANT FACILITIES				
RETIREMENT OF INDEBTEDNESS				
INTEREST PAYMENTS				
DISPOSAL OF PLANT FACILITIES				
NOTES ISSUED				
OTHER EXPENDITURES		994	215	20,057
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	1,231,116	180,894	1,833	20,084
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):				
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	(82,483)	(1,552)		
CURRENT FUND - UNRESTRICTED	15			
CURRENT FUND - RESTRICTED	(746)	746		
LOAN FUND	(114)		114	
UNEXPENDED PLANT FUND	(1,825)			
RENEWAL AND REPLACEMENT FUND				
RETIREMENT OF INDEBTEDNESS	(711)			
NON-MANDATORY TRANSFERS FOR:				
CURRENT FUND - UNRESTRICTED	13,502	(1,421)	(1)	(370)
CURRENT FUND - RESTRICTED	(58)	1,366		(833)
LOAN FUND	(70)		166	(60)
ENDOWMENT AND SIMILAR FUND	(2,311)	(1,383)		6,203
FOUNDATIONS	(481)	(901)	(241)	
UNEXPENDED PLANT FUND	(16,661)	(944)		(4,351)
RENEWAL AND REPLACEMENT	(27,239)			
RETIREMENT OF INDEBTEDNESS				
INVESTMENT IN PLANT	(1,377)	(47)		
GENERAL FUND	646,912			
TRANSFERS (TO)/FROM OTHER STATE AGENCIES	(576)	26,534		
TOTAL TRANSFERS AMONG FUNDS	525,777	22,398	38	589
INCREASE (DECREASE) IN FUND BALANCE	12,642	(973)	1,641	40,641
FUND BALANCE AT JULY 1	144,239	47,812	56,919	194,880
FUND BALANCE AT JUNE 30	$ 156,881	$ 46,839	$ 58,560	$ 235,521

SEE ACCOMPANYING NOTES TO COMBINED FINANCIAL STATEMENTS

Foundations	Plant Funds: Unexpended Plant	Plant Funds: Renewal and Replacement	Plant Funds: Retirement of Indebtedness	Plant Funds: Investment in Plant	Totals (Memorandum Only) For The Year Ended June 30, 1993	Totals (Memorandum Only) For The Year Ended June 30, 1992
$	$	$	$	$	$ 405,504	$ 376,349
					311,032	310,145
					4,682	4,339
60,726	739		532	1,992	191,651	173,865
22,712	1,434	4		2,355	70,745	79,781
					4,874	5,259
10,919	10,860	2,252	8,427		38,924	36,900
				103,173	103,173	91,068
	1,070			53,081	54,151	34,923
41,066	12,656		103,734	7,868	199,940	70,898
135,423	26,759	2,256	112,693	168,469	1,384,676	1,183,527
					1,133,195	1,146,583
					277,180	279,882
					343	463
					893	974
					1,027	883
403					426	341
	60,663	1,956	21		62,640	57,723
			64,895	13,148	78,043	35,516
			50,450		50,450	46,652
				74,325	74,325	22,293
				22,340	22,340	27,305
118,293	389	60	68,928	36,527	245,463	116,926
118,696	61,052	2,016	184,294	146,340	1,946,325	1,735,541
		(3)	84,038			
			(15)			
	6,452			(4,627)		
		64	(64)			
	(83)		794			
(8,916)	(741)	(620)	(1,433)			
(475)						
(36)			-			
(2,509)						
1,623						
(7,224)	44,203	(13,650)	(540)	(833)		
		27,239				
	(78)	(53)	496	(365)		
(470)				1,894		
					646,912	670,724
12,747	410		(11,465)		27,650	41,925
(5,260)	50,163	12,977	71,811	(3,931)	674,562	712,649
11,467	15,870	13,217	210	18,198	112,913	160,635
86,614	87,922	63,594	63,064	1,593,682	2,338,726	2,178,091
$ 98,081	$ 103,792	$ 76,811	$ 63,274	$ 1,611,880	$ 2,451,639	$ 2,338,726

INDEX FOR NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1	Significant Accounting Policies	35
Note 2	Changes in Accounting Principles, Reporting, Practices, and Prior Period Adjustments	39
Note 3	Budgetary Basis vs. GAAP	40
Note 4	Stewardship, Compliance, and Accountability	41
Note 5	Equity in Pooled Cash and Investments, Cash, and Investments	42
Note 6	General Fixed Assets	43
Note 7	Interfund Transactions	44
Note 8	Pension Plans	45
Note 9	Employer Benefit Plans	50
Note 10	Lease Obligations	50
Note 11	Risk Management	51
Note 12	Risk Pools	52
Note 13	Defeasance of Long-Term Debt	54
Note 14	Long-Term Obligations	59
Note 15	Segment Information	66
Note 16	Commitments and Contingencies	68
Note 17	Subsequent Events	68

Note 1

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation - The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements for the University and College Funds have been prepared in conformity with generally accepted accounting principles as prescribed by the AICPA Audit Guide, Audits of Colleges and Universities.

B. Financial Reporting Entity - For financial reporting purposes, the Commonwealth of Kentucky includes all fund types, account groups, departments, and agencies of the Commonwealth, as well as boards, commissions, authorities, corporations, colleges, and universities over which the Commonwealth's executive, legislative, and judicial branches exercise oversight responsibility. The following criteria, as defined by the Governmental Accounting Standards Board, were utilized to determine the entity for the Commonwealth of Kentucky: selection of governing authority, appointment of management, constitutional officers' ability to significantly influence operations, accountability for fiscal operations, and scope of public service. Entities, such as public and private non-profit organizations, which met only one of the criteria for inclusion in this report have not been included, because they do not fall within the oversight responsibility of the Commonwealth's elected officials. The following component units have met the criteria for inclusion in the Commonwealth's financial statements with the most significant reasons for inclusion being the selection of governing authority and the ability to influence operations:

- Kentucky Lottery Corporation
- Kentucky Center for the Arts
- Kentucky Agricultural Finance Corporation
- Kentucky Economic Development Finance Authority
- Kentucky Higher Education Student Loan Corporation
- Kentucky Housing Corporation
- Kentucky Local Correctional Facilities Construction Authority
- Kentucky Infrastructure Authority
- Kentucky Rural Economic Development Authority
- Kentucky Educational Savings Plan Trust

C. Fund Structure and Basis of Accounting - The accompanying financial statements are structured into four fund categories and two account groups. The fund categories include governmental funds, proprietary funds, fiduciary funds, and university and college funds. Account groups are presented for general fixed assets and general long-term obligations.

Governmental Funds include:

General Fund - accounts for financial resources appropriated by the General Assembly which are not required to be accounted for in another fund.

Special Revenue Funds - account for specific revenue sources, other than for expendable trusts or major capital projects, dedicated to specific operations.

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related administrative costs.

Capital Projects Fund - accounts for financial resources appropriated by the General Assembly for the acquisition, construction, or renovation of major capital facilities, and for the acquisition of major equipment, other than those financed by proprietary funds, certain trust funds, and university and college funds.

All of the governmental funds (where the measurement focus is on the flow of current financial resources) are accounted for on the modified accrual basis of accounting. In accordance with the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the fiscal period. Available revenue will be received within 30 days. Principal revenue sources accounted for on the modified accrual basis include federal grants, sales and use tax, coal severance tax, property tax, departmental fees, income taxes, and interest income. Motor vehicle registration fees and fines and forfeitures are accounted for on the cash basis. Generally and except as otherwise provided by law, property taxes are assessed as of January 1, levies (mailed) September 15, due at discount November 1, due at face value December 31, delinquent January 1 following the assessment, and subject to lien and sale February 1 following the delinquency date. Expenditures are recorded at the time liabilities are incurred except: (1) inventories generally are considered expenditures at acquisition; (2) prepayments usually are accounted for as expenditures of the period of acquisition; (3) principal and interest on long-term debt is recorded when paid; and (4) compensated absences are accounted for as expenditures of the period when used. Encumbrances represented by executed and unperformed contracts, which have been approved by the Finance and Administration Cabinet, at year end are reported as reservations of fund balance for subsequent year expenditure in the Capital Projects and Transportation Funds. Encumbrances in all other funds lapse at the end of the fiscal year.

Proprietary Funds Include:

Enterprise Funds - account for those public corporations empowered by the Kentucky Revised Statutes (KRS) to provide certain services to the citizens of Kentucky and the operation of State agencies that provide goods or services to the general public on a user charge basis. Also included are the operations of the State's risk management pools.

Internal Service Funds - account for financing goods and services provided by one agency of the Commonwealth primarily to other agencies or governments on a cost reimbursement basis.

All of the proprietary funds (where the measurement focus is on the flow of economic resources) are accounted for on the accrual basis of accounting. Accordingly, revenues are recognized when they are earned and become measurable. Expenses are recognized at the time liabilities are incurred.

Fiduciary Funds include:
Expendable Trust Funds - account for assets held by the Commonwealth as a legal trustee when both principal and interest may be expended for designated purposes.

Pension Trust Funds - account for monies received for, expenses incurred by, and net assets available for plan benefits of the various public employee retirement systems.

Agency Funds - account for monies held by the Commonwealth and deferred compensation plans for custodial purposes only.

Expendable Trust and Agency Funds are accounted for on the modified accrual basis of accounting and are reported in the same manner as governmental fund types. Pension Trust Funds are accounted for on the accrual basis of accounting and reported in the same manner as proprietary fund types.

University and College Funds include:
Current Funds - account for economic resources of the institution which are expendable for any purpose in performing the primary objectives of the institution and which have not been designated by the governing body for any other purpose, and for resources restricted for specific current operating purposes by a donor or other external agency.

Fiduciary Funds - account for assets held by loan, endowment, life income, and agency funds in which the universities act in a fiduciary capacity.

Plant Funds - account for institutional property acquisition, renewal, replacement, debt service, and investment.

Affiliated Corporations - account for the activities of not-for-profit corporations which are affiliated with the various State universities. The not-for-profit corporations are considered to be affiliates of their respective universities due to interlocking boards of directors and officers who also serve as officers of the universities. University of Kentucky affiliates are: University of Kentucky Research Foundation; The Fund for Advancement of Education and Research in the University of Kentucky Medical Center; University of Kentucky Athletic Association; Health Care Collection Services, Inc.; University of Kentucky Mining Engineering Foundation, Inc.; University of Kentucky Business Partnership Foundation, Inc.; University of Kentucky Center on Aging Foundation, Inc.; University of Kentucky Equine Research Foundation, Inc.; and University of Kentucky Humanities Foundation, Inc.; Eastern Kentucky University affiliate is the Eastern Kentucky University Foundation, Inc. Western Kentucky University affiliate is the College Heights Foundation, Inc. University of Louisville affiliate is the University of Louisville Foundation, Inc. The university and college funds are accounted for on the accrual basis of accounting, except for depreciation of fixed assets.

Account Groups include:
General Fixed Assets Account Group - accounts for fixed assets acquired or constructed for general governmental purposes other than those of the proprietary, fiduciary, and university and college fund types.

General Long-Term Obligations Account Group - accounts for unmatured general long-term liabilities of the Commonwealth other than those of the proprietary, fiduciary, and university and college fund types.

Certain obligations included in the General Long-Term Obligations Account Group for the State Property and Buildings Commission are also reflected in the statements as investments: (1) The unemployment compensation administration invests in obligations of the State Property and Buildings Commission as permitted by KRS 341.296. These are Project 2 Series J bonds and Project 11 Series A and B bonds. (2) The State Property and Buildings Commission issued $41,380,000 Taxable University Refunding bonds. The proceeds from this issue were used to purchase certain outstanding Housing and Dining Revenue bonds of the State's universities. The income from the Housing and Dining bonds will be used to pay the debt service on the Project Revenue bonds. Savings will be used to reduce the universities' debt service requirements. See Note 14 for additional information.

D. Budgetary Process and Control - The Commonwealth of Kentucky requires that each branch of government prepare and submit a recommended budget to the General Assembly for each of the two fiscal years to be included in a biennial budget. These budgets are prepared principally on the cash basis. The Legislature reviews these budget requests, makes any necessary revisions, and legally adopts a biennial budget for each of the three branches of government. The Governor has the power to approve or veto each bill, subject to legislative override.

The financial plan for each fiscal year as presented in a branch budget recommendation shall be adopted, with such modifications as made by the General Assembly (and explained in a budget memorandum) by the passage of the budget bill and such revenue and other acts necessary for the purpose. A budget bill shall not be effective past July 1 of the year in which the next regular session takes place.

Budgetary control is maintained at the budget unit level as designated by the Legislature (i.e., function, major program area, program, or unit of organization).

Appropriations for the General Fund and Road Fund shall be based upon revenue estimates prepared by the Finance and Administration Cabinet and modifications made by the appropriations committee of the General Assembly. Official revenue estimates are not made for the other budgetary funds.

The funds allotted for each purpose of expenditure shall be used for no other purpose, except that the head of any budget unit, with the approval of the Secretary of the Finance and Administration Cabinet, may transfer allotted funds from one purpose of expenditure to another within the budget unit. No revisions of the allotment schedule may provide for an allotment or allotments in excess of the amount appropriated to that budget unit in a joint budget resolution or for expenditure for any other purpose than specified in a joint budget resolution and a budget memorandum. However, budgetary funds except General Fund, Transportation Fund, and Capital Projects Fund, may be amended in an amount up to the actual receipts (not to exceed 5%) by an Advice of Change Order from the Secretary of the Finance and Administration Cabinet. No supplemental appropriations were required during this fiscal year.

Encumbrance accounting is utilized for budgetary control purposes. Encumbrances outstanding at year end for long-term construction contracts other than commitments of a continuing nature are reported as reservations of fund balance for subsequent year expenditure. All other encumbered and unencumbered appropriations lapse at the end of each fiscal year except in the Capital Projects and Transportation Funds, which have project length budgets. Encumbrances are carried forward as revisions to appropriations.

The annual budget is prepared principally on the cash basis, which basis differs from generally accepted accounting principles (GAAP). A reconciliation between the budgetary basis and the GAAP basis is presented in Note 3. A cash basis report, Supplementary Information to the Kentucky Comprehensive Annual Financial Report, is produced to demonstrate budgetary compliance.

E. Cash and Cash Equivalents - In addition to bank accounts, cash on hand, and imprest cash, this classification includes short-term investments with a maturity of 90 days or less, from date of purchase. Cash equivalents are generally stated at cost, which approximates market. Deferred Compensation amounts are reported at market. Short-term investments, classified as cash equivalents at June 30, 1993, are $2,546,515,253.

F. Investments - This classification includes long-term investments, principally the portfolios of the Pension Trust Funds, which are stated at cost or amortized cost. Investments of the Deferred Compensation Plan are reported at market value. See Note 5 for investment detail.

G. Receivables - Receivables in the Commonwealth's governmental and fiduciary funds primarily consist of Federal revenues, taxes, and interest on investments. Some governmental fund revenues are not susceptible to accrual prior to receipt, including licenses, fees, permits, and similar revenues which are recognized on the cash basis. Receivables in all other funds have arisen in the ordinary course of business. Receivables in the governmental funds are reported net of allowances for uncollectibles. The allowance for uncollectibles amounted to $439,171,079.

H. Interfund Transactions - The Commonwealth has the following types of interfund transactions:

Quasi-external Transactions - Charges for services rendered by one fund to another that are treated as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

Reimbursements - Reimbursement of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Residual Equity Transfers - Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from the fund equity balance.

Operating Transfers - Legally authorized transfers other than residual equity transfers are reported as operating transfers in the financial statements.

The composition of the interfund transactions is presented in Note 7.

I. Inventories - Inventories in the governmental funds and similar trust funds consist of expendable supplies held for consumption, the costs of which are recorded as an expenditure at the time of purchase. Reserves of fund balance have been established for the inventory balances for governmental funds. Inventories in the proprietary funds and similar trust funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the costs of which are recorded as an expense as they are used. Inventories are valued at cost (first-in, first-out, or average cost).

J. Fixed Assets and Depreciation-General Fixed Assets - All fixed assets acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition. Fixed assets are valued in the General Fixed Assets Account Group at historical cost, estimated historical cost or fair market value at time of donation. Buildings of $492,895,000 at June 30, 1993, were valued as follows: $359,970,000 at estimated historical cost, $132,592,000 at historical cost and $333,000 at fair market value at time of donation. Land of $67,759,000 at June 30, 1993, was valued as follows: $37,082,000 at estimated historical cost, $19,238,000 at historical cost, and $11,439,000 at fair market value at time of donation. The estimates of historical cost were based on appraised

value, as of June 30, 1986, indexed to the date of acquisition. Also public domain (infrastructure) general fixed assets such as highways, curbs, bridges, and right-of-ways are not capitalized. No depreciation is provided on general fixed assets.

Proprietary and Similar Fiduciary Fund Types - Fund fixed assets acquired or constructed have been stated at historical cost, estimated historical cost, or fair market value at the time of acquisition. Historical cost has been estimated for approximately ninety-five percent (95%) of the land cost and sixty-one percent (61%) of the proprietary fund's buildings cost as of June 30, 1993. The estimate of historical cost was based on appraised value as of June 30, 1986, indexed to the date of acquisition. Land and buildings acquired after June 30, 1986, have been valued at historical cost. They are being depreciated principally on a straight-line basis over estimated useful lives ranging from 20 to 50 years for buildings, 3 to 25 years for machinery and equipment, and 10 to 60 years for improvements other than buildings.

University and College Fund Type - Fixed assets in the university and college fund type are stated at historical cost, estimated historical cost, or fair market value for donated assets. Depreciation is not recognized on university fixed assets. Donated fixed assets are reported at estimated fair market value at the time donated.

It is the Commonwealth's policy to capitalize interest expense incurred on significant assets in proprietary funds during their construction in accordance with FASB Statement No. 62.

The component financial statements of The Kentucky Center for the Arts, Fiscal Year 1993, do not contain the Center's land and buildings. The Finance and Administration Cabinet, Division of Accounts, Financial Reporting Branch, has adjusted the Kentucky Center for the Arts columns on all appropriate combining statements included in the Commonwealth of Kentucky Comprehensive Annual Financial Report for the Year Ended June 30, 1993, to add dollar amounts for land, buildings, depreciation, and contributed capital associated with the Center in order to satisfy GAAP requirements regarding the State financial reporting entity.

K. Fund Equity Reserves and Designations - The Commonwealth's fund balance reserves represent those portions of fund balance (1) not appropriable for expenditure, or (2) legally segregated for a specific future use. Designated portions of fund balance represent tentative managerial plans for financial resource utilization in a future period.

Fund Balance Reserved for Other Specific Purposes
(Expressed in Thousands)

	General	Special Revenue	Universities
Loans	$	$ 36,649	$
Investments		2,090	
Inventories	12,475	29,308	
Restricted gifts, grants and contracts			534,658
Compensating balance with depositories		545	
TOTAL	$ 12,475	$ 68,592	$ 534,658

L. Long-Term Obligations - Long-term liabilities that will be financed from governmental funds and expendable trust funds are accounted for in the General Long-Term Obligations Account Group. These long-term liabilities include the following:

1. Payments of principal and interest for general obligation debt and revenue bonds which are recorded as expenditures in the Debt Service Fund.

2. Compensated absences reported in the General Long-Term Obligations Account Group include accumulated unpaid vacation and compensatory time accruals. The amount accruing to proprietary funds and pension trust funds has been included in the respective funds when material.

The policy of the Commonwealth is to record the cost of annual and compensatory leave. Annual leave is accumulated at amounts ranging from 7.5 to 13.13 hours per month, determined by length of service, with maximum accumulations ranging from 30 to 60 days. The calendar year is the period used for determining accumulated leave. At June 30, 1993, the estimated liability for accrued annual leave for the governmental and State proprietary funds was $101,901,401 and $6,841,751, respectively. Compensatory leave is granted to authorized employees on an hour-for-hour basis. At June 30, 1993, the estimated liability for compensatory leave in the governmental and State proprietary funds was $21,683,152 and $1,242,014, respectively.

Sick leave is earned one day per month with unlimited accumulation. All of the qualifying retiring employees' sick leave balances, expressed in months, shall be added to their service credit for the purpose of determining their annual retirement. There is no liability in the accompanying financial statements for unpaid accumulated sick leave, since it is the Commonwealth's policy to record the cost of sick leave only when paid. See Note 16 for disclosure of the amount of this contingency. The eight (8) State universities have varying policies for compensated absences. Information regarding these policies is available in the audited financial statement of each university.

3. Outstanding capital lease obligations for governmental funds and expendable trust funds are reported in the General Long-Term Obligations Account Group.

4. Judgements and contingent liabilities of governmental funds which will not be paid with current resources are reported in the General Long-Term Obligations Account Group.

5. Long-term liabilities of all proprietary, nonexpendable trust and pension trust funds are accounted for in the respective funds.

Long-term obligations exclude those amounts reported as expenditures for compensated absences, judgements, contingencies, and employer pension contributions in the governmental funds which are the amounts that would normally be liquidated with expendable available financial resources.

M. Contributed Capital - The Enterprise Funds receive general fund appropriations and proceeds of revenue bonds for the acquisition of specific fixed assets. The debt service for these bonds is paid by the Commonwealth's General Fund and the liability is reported in the General Long-Term Obligations Account Group. The assets acquired with the proceeds of the revenue bonds are accounted for in the enterprise funds with an offsetting entry to contributed capital.

(Expressed in Thousands)

Contributed capital as of June 30, 1992, as previously reported	$190,620	
Additions: Fiscal Year 1993	25,972	
		$216,592
Amortization through June 30, 1992, as previously reported	$63,174	
Additions: Fiscal Year 1993	4,921	
		68,095
Net contributed capital as of June 30, 1993		$148,497

N. Total - Memorandum Only - The "Total - Memorandum Only" column represents an aggregation of the individual combined financial statements. The total column is presented for overview informational purposes and does not represent consolidated financial information.

Note 2

CHANGES IN ACCOUNTING PRINCIPLES, REPORTING PRACTICES, AND PRIOR PERIOD ADJUSTMENTS

The fund balances/retained earnings as previously reported have been restated to conform to generally accepted accounting principles and correct balances for erroneously recorded transactions.

General Fund - The General Fund was adjusted to decrease the accrued liability for Medicaid payments in the amount of $118,994,000. Inventories were decreased by $434,000 for an amount erroneously recorded in the fund. The effect of these adjustments was an increase in fund balance of $118,560,000.

Special Revenue Fund - The Transportation Fund, within the Special Revenue Fund, was restated to include $28,562,000 previously reported in an agency fund, and $428,000 of investments previously omitted. The net adjustment was an increase to fund balance of $28,990,000.

The Agency Revenue Fund, within the Special Revenue Fund was adjusted to remove activity to be included in the Insurance Administration Fund. The effect of this adjustment was a decrease in the fund balance of $95,000. The fund was also adjusted for transactions erroneously recorded in other funds in the prior period. The effect of this adjustment was an increase in the fund balance $697,000. The net effect of these adjustments was an increase in the fund balance of $602,000.

The Other Special Revenue Fund, within the Special Revenue Fund was adjusted to remove activity to be included in the Insurance Administration Fund. The effect of this adjustment was a decrease in the fund balance of $1,439,000. The fund was also adjusted to reflect an amount of investment income erroneously accrued. The effect of this adjustment was a decrease in the fund balance of $171,000. The net effect of these adjustments was a decrease in fund balance of $1,610,000.

Debt Service Fund - The Debt Service Fund was adjusted to include an amount of cash with fiscal agents previously omitted in error. The effect of this adjustment was an increase in fund balance of $2,039,000.

Enterprise Fund - The fund equity of the Insurance Administration Fund, within the Other Enterprise Fund, was adjusted to include amounts previously reported in other funds. The effect of this adjustment was an increase in fund equity of $1,534,000. The fund balance was decreased by $501,000 for amounts erroneously reported in prior periods. The net effect of these adjustments was an increase in fund balance of $1,033,000.

Internal Service Fund - The Risk Management Fund, within the Internal Service Fund, was adjusted to exclude amounts previously recorded in the fund. Excluded amounts were judgements and contingent liabilities, relating primarily to taxes, which will be included in the General Long-Term Obligations Account Group. The net effect of this adjustment was an increase in fund balance of $646,751,000.

Agency Fund - The Special Deposit Trust Fund, within the Agency Fund, was adjusted to remove an amount to be appropriately reported in the Special Revenue Fund. The net effect of this adjustment was a decrease in the amount held in custody for others of $28,562,000.

General Long-Term Obligations Account Group - The beginning liability reported was increased to include capital leases previously omitted. The effect of this adjustment was an increase in the liability of $81,000. The liability was increased by $646,751,000 for contingent liabilities. The net effect of these adjustments was an increase in the liability of $646,832,000.

Note 3

BUDGETARY BASIS VS. GAAP

The accompanying Combined Statement of Revenues and Expenditures-Budget and Actual (Budgetary Basis)-All Budgeted Fund Types, presents comparisons of the legally adopted budget (see Note 1D) with actual data on budgetary basis. The Other Special Revenue Fund within the Special Revenue Fund type is not budgeted and is shown for comparison purposes only.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a schedule reconciling the fund balance on a cash basis at June 30, 1993, to the fund balance on a modified accrual basis follows (expressed in thousands):

Budgetary Funds	General	Special Revenue	Enterprise	Internal Service	Expendable Trust
Financial Statements Funds	General	Special Revenue	Enterprise	Internal Service	Fiduciary
Fund Balance/Retained Earnings June 30, 1993:					
Budgetary Basis	$ 104,611	$ 1,124,267	$ 292,722	$ 49,540	$ 349,362
Adjustments:					
Accrued Revenues	27,585	332,220	5,338	(316)	40,016
Accrued Expenditures	(135,518)	(324,268)	(1,013,605)	(34,541)	(82,117)
Accrued Transfers (Net)	(13)	5,882	(15)		
Total Accruals [1]	(107,946)	13,834	(1,008,282)	(34,857)	(42,101)
Reclassifications and Other Adjustments:					
Inventory Balances [1]	12,475	28,940	4,570	3,749	
To Reclassify Financial Resources into Financial Statement Fund Types [2]		(475,804)	18,007	(32,339)	
To Record Financial Resources available as Non-Budgeted Funds [3]		431,572	731,430		9,785,190
Fund Equity/Other Credits June 30, 1993:					
GAAP Basis	$ 9,140	$ 1,122,809	$ 38,447	$ (13,907)	$ 10,092,451

[1] Basis Differences
[2] Perspective Differences
[3] Entity Differences

Note 4

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. The Special Revenue Fund - The Agency Revenue Fund budgetary statement has an excess of expenditures over appropriations, of $67,000 at June 30, 1993, for Pike County, and is in accordance with State statutes. State statutes permit that "deficits may be made up out of the amount paid in any succeeding month; but in no event shall the amount allowed by the Finance and Administration Cabinet to any officer for salaries exceed seventy-five percent (75%) of the amount paid to the Finance and Administration Cabinet by the officer during his official term." These amounts are within the statutes and repayment will be made during the term of office of the official.

B. The Enterprise Fund - Kentucky Local Correctional Facilities Construction Authority has deficit retained earnings of $24,264,000, resulting from the recognition of loan commitments before financing was arranged. The Authority will issue revenue bonds to satisfy these commitments in the near future.

The Insurance Administration Fund has a deficit retained earnings of $549,289,000. The deficit is the result of including the actuarial liability for the risk pools which will be funded in future periods.

C. The Internal Service Fund - The Risk Management Fund has a deficit retained earnings of $34,658,000. The deficit is the result of accumulated claims liabilities of the Commonwealth's self-insured workers' compensation programs.

Note 5

EQUITY IN POOLED CASH AND INVESTMENTS, CASH, AND INVESTMENTS

The State maintains a cash and investment pool that is available for use by all funds under the auspices of the State Investment Commission as authorized under KRS 42.500 et.al. In addition, investments are separately held by several of the State's funds. Legally authorized investments vary by fund but generally include: obligations of or guaranteed by the United States; obligations of any corporation of the United States Government; collateralized certificates of deposit; bankers acceptances; commercial paper; and repurchase agreements. In addition to these, pension plans are permitted to purchase common stocks, corporate bonds and real property and mineral rights. The State is also eligible to invest in reverse repurchase agreements.

Deposits - At year end, the carrying amount of the State's deposits was $618,120,855 and the bank balance was $639,079,924. The bank balance of the oversight unit was covered by Federal depository insurance or by collateral held by the State or the State's agent in the State's name. The following table categorizes the State's deposits as: (1) insured or collateralized with securities by the entity or by its agent in the entity's name; (2) collateralized with securities held by the pledging institution's trust department or agent in the entity's name; or (3) uncollateralized where securities are held by the pledging institution but not in the entity's name.

	1	2	3	Uncategorized	Total Bank Balance	Carrying Amount
Cash	$ 100,247,372	$ 9,905,772	$ 15,396,096	$	$ 125,549,240	$ 104,784,194
Cash with Fiscal Agents	87,638,360	3,203,158	361,982	5,771,593	96,975,093	96,790,773
Cash on Deposit with Federal Government				386,224,587	386,224,587	386,224,587
Imprest and Change	9,278,744				9,278,744	9,278,744
Money Market	8,118,024	5,441,926			13,559,950	13,559,950
Nonnegotiable Certificates of Deposit	7,492,310				7,492,310	7,482,607
Total	$ 212,774,810	$ 18,550,856	$ 15,758,078	$ 391,996,180	$ 639,079,924	$ 618,120,855

Investments - The State holds investments both for its own benefit and as an agent for other related parties. The major investment programs conducted for the direct benefit of the State are administered by the Office of Financial Management and Economic Analysis. The following table categorizes the State's investments as follows: Category (1) are those investments which are insured or registered, or held by the State of Kentucky or its agent in the State's name; Category (2) are those investments which are uninsured and unregistered with securities held by the counterparty's trust department or agent in the State's name; and Category (3) are those investments which are uninsured and unregistered for which the securities are held by the counterparty or by its trust department or agent but not in the State's name.

	Categories				Net	
	1	2	3	Uncategorized	Investment	Market Value
Annuity Contracts	$	$	$	$ 187,791,530	$ 187,791,530	$ 187,791,530
Commercial Paper	96,014,717	23,460,928	2,400,000		121,875,645	122,543,184
Common Stock	1,735,853,833	2,308,422,865			4,044,276,698	5,138,384,652
Corporate Bonds	739,976,079	239,169,932			979,146,011	1,039,877,083
Endowment Funds			21,646,000		21,646,000	21,646,000
Government Securities	4,011,170,477	1,090,010,774	11,022,198		5,112,203,449	5,391,679,533
Guaranteed Investment Contracts				43,195,732	43,195,732	43,195,732
Mortgages				254,817,296	254,817,296	281,419,726
Mutual Funds				139,188,734	139,188,734	139,282,321
Negotiable Certificates of Deposit	1,100,000				1,100,000	1,100,000
Other	302,692			93,281	395,973	395,973
Preferred Stock	900,000				900,000	900,000
Real Estate				398,574,218	398,574,218	379,441,718
Repurchase Agreements	1,750,933,295	650,144,499	1,421,436		2,402,499,230	2,467,912,943
State and Municipal Obligations	128,486,762	408,975			128,895,737	129,077,551
Totals	$ 8,464,737,855	$ 4,311,617,973	$ 36,489,634	$ 1,023,660,791	$ 13,836,506,253	$ 15,344,647,946

Due to the credit risk mix of retirement funds, universities, and other State agencies, the credit risk of those investments held in the State investment pool is not apparent. The credit risk of those investments held in the State investment pool is all Category (1). The credit risk mix of the retirement systems, universities, and other State agencies is disclosed in the financial statement footnotes of the individual entities.

Statutes require that securities underlying repurchase agreements must have a market value of at least 102 percent of the cost of the repurchase agreement. The market value of securities underlying repurchase agreements fell below this required level on a few occasions during the year; however, no losses were sustained due to the fall in collateralization levels. The collateralization is monitored on a weekly basis (as specified within 200 KAR 14.081) and at any point where the collateralization falls below 102 percent of the cost of the repurchase agreement, the seller/borrower is contacted and the situation is normally rectified within two business days.

Securities Lending Program - State statutes, as interpreted by opinions of the Attorney General, authorize the Commonwealth to enter into bonds borrowed/bonds pledged securities lending agreements, that is a transfer of securities with a simultaneous receipt of securities. The securities received in the transfer are the type which the State is legally authorized to hold. The market value of the securities received in the agreement normally exceeds the market value of the securities transferred. The securities transferred are a part of the total investments reported above. The securities being held are not reported as a part of the total investments. The Commonwealth retains the interest income on the securities being transferred and receives a 15 point fee for providing the service. During the year, the State earned $1,950,648 in securities lending income. On June 30, 1993, the market value of the securities transferred was $1,431,077,870 and the market value of the securities the Commonwealth was holding was $1,459,563,329. The collateralization requirements and monitoring procedures in the securities lending program are the same as those requirements in regard to repurchase agreements.

Options - The State operates primarily as the seller of options (puts) on its United States Treasury Securities. The State sets a yield floor level to be received thus minimizing the risk exposure. On June 30, 1993, the State held $15,000,000 in obligations under option.

Note 6

GENERAL FIXED ASSETS

A statement of changes in general fixed assets for the year ended June 30, 1993, is presented below (Expressed in Thousands):

	Land	Buildings	Machinery and Equipment	Construction in Progress	Totals
Balance June 30, 1992	$ 63,754	$ 470,285	$ 450,977	$ 136,086	$ 1,121,102
Additions	4,204	23,107	40,580	71,233	139,124
Deletions	(199)	(497)	(17,222)	(24,929)	(42,847)
Balance June 30, 1993	$ 67,759	$ 492,895	$ 474,335	$ 182,390	$1,217,379

Note 7

INTERFUND TRANSACTIONS

The table below shows the interfund receivables and payables and interfund operating transfers for fiscal year 1993 (Expressed in Thousands):

Interfund Receivables and Payables

Fund	Interfund Receivable	Interfund Payable
General	$ 21,856	$ 15,418
Special Revenue:		
Transportation	21,906	62,453
Federal	11,674	24,955
Agency Revenue	57,796	13,559
Other Special Revenue	64,819	114,250
Debt Service	59,029	4
Capital Projects	105	2,478
Enterprise:		
Kentucky Higher Education Student Loan		436
State Parks	88	1,326
State Fair Board	181	122
Industries for the Blind	27	1
Horse Park	18	45
Insurance Administration	532	1,368
Internal Service:		
Computer Services	1,234	6,314
Central Stores		1
Telecommunications	357	297
Prison Industries	1,779	24
Central Printing	521	1
Property Management	107	40
Risk Management	367	2,151
Fiduciary Funds:		
Unemployment Compensation	295	
Special Benefits	2,392	124
Special Deposit Trust	284	
Universities and Colleges	40,849	40,849
Total per financial statements:	$ 286,216	$ 286,216

Transfers In/Out

Fund	Operating Transfers In	Operating Transfers Out
General	$ 120,168	$ 886,272
Special Revenue:		
Transportation	40,978	124,512
Federal	29,147	63,395
Agency Revenue	260,696	28,627
Other Special Revenue	121,706	482,663
Debt Service	411,720	1
Capital Projects	29,832	20,475
Enterprise:		
Kentucky Lottery Corporation		100,000
Kentucky Infrastructure Authority	5,550	
Kentucky Educational Savings Plan Trust	271	
State Parks	23,594	2,211
State Fair Board	230	396
Industries for the Blind	492	
Horse Park	1,169	4
Insurance Administration	948	5,906
Internal Service:		
Computer Services	24	15
Central Stores		101
Telecommunications		801
Prison Industries	26	3,068
Central Printing		354
Property Management	7,728	3,531
Risk Management		2,150
Fiduciary Funds:		
Unemployment Compensation		1,605
Special Benefits	12,146	14,900
Retirement Systems	47,837	47,837
Universities and Colleges	674,562	
Total per financial statements	$ 1,788,824	$ 1,788,824

Note 8

PENSION PLANS

The Commonwealth sponsors the following public employee retirement systems (PERS):

A. Kentucky Retirement Systems-is the agent for the following retirement systems:

Kentucky Employes Retirement System (KERS) - a multiple employer cost sharing PERS which covers substantially all regular full-time employees of any State department, board, or agency directed by Executive Order to participate in the System.

County Employes Retirement System (CERS) - a multiple employer cost sharing PERS which covers substantially all regular full-time employees of each county, school board, and any additional local agencies electing to participate in the System. The Commonwealth is a non-employer and non-contributor to this system.

State Police Retirement System (SPRS) - a single employer PERS which covers all regular full-time officers of the Kentucky State Police.

These systems are defined benefit plans providing for retirement, disability, and death benefits. Participants have a fully vested interest after the completion of sixty (60) months of service, twelve (12) of which are current service. At a minimum, terminated employees are refunded their contributions with credited interest at 3% compounded annually through June 30, 1980, 6% thereafter through June 30, 1986, and 4% thereafter. Benefits and contribution rates are established by State statute.

KERS - Actuarially determined contribution requirements of $152,759,980 ($98,567,107 employer and $54,192,873 employee) for the year ended June 30, 1993, were determined through an actuarial valuation performed at June 30, 1992. These contributions were to consist of: (a) $103,862,726 for 1993 normal cost; (b) $8,652,449 for 1993 amortization of the unfunded actuarial accrued liability; (c) $4,095,124 for 1993 administrative expenses; (d) $36,149,681 for 1993 group hospital and medical insurance premiums. For 1993, contributions received totaled $150,180,462 of which the employer portion was $90,568,496 (7.65% of the covered payroll for non-hazardous positions and 15.05% for hazardous positions) and the employee portion was $59,611,966 (5% of the covered payroll for non-hazardous positions and 7% for hazardous positions.)

SPRS - Actuarially determined contribution requirements of $9,014,419($6,831,809 employer and $2,182,610 employee) for the year ended June 30, 1993, were determined through an actuarial valuation performed at June 30, 1992. These contributions were to consist of: (a) $4,764,148 for 1993 normal cost; (b) $(247,887) for 1993 amortization of unfunded actuarial accrued liability; (c) $83,764 for 1993 administrative expenses; (d) $4,414,394 for 1993 group hospital and medical insurance premiums. For 1993 contributions received totaled $8,659,407 of which the employer portion was $6,113,532 (19.57% of the covered payroll) and the employee portion was $2,545,875 (7% of the covered payroll).

CERS - Actuarially determined contribution requirements of $153,068,316 ($101,233,849 employer and $51,834,467 employee) for the year ended June 30, 1993, were determined through an actuarial valuation performed at June 30, 1992. These contributions were to consist of: (a) $112,453,932 for 1993 normal cost; (b) $6,464,013 for 1993 amortization of the unfunded actuarial accrued liability; (c) $5,128,212 for 1993 administrative expenses; (d) $29,022,159 for 1993 group hospital and medical insurance premiums. For 1993, contributions received totaled $182,531,897 of which the employer portion was $115,230,643 (8.82% of the covered payroll for non-hazardous positions and 18.47% for hazardous positions) and the employee portion was $67,301,254 (5% of the covered payroll for non-hazardous positions and 7% for hazardous positions).

Kentucky Retirement Systems Insurance Fund - was established in 1978 under authority of Kentucky Revised Statutes 61.701 to provide accident and health insurance for members receiving benefits from the Kentucky Employes Retirement System, County Employes Retirement System, and State Police Retirement System (Systems). The Fund and members receiving benefits pay prescribed portions of the aggregate premiums paid to an insurance company for coverage. The Fund pays benefits for 27,861 retirees as of June 30, 1993. The allocation of the insurance premiums paid by the Fund and amounts withheld from members' benefits is based on the years of service with the Systems, as follows:

Years of Service	Percent Paid by Insurance Fund	Percent Paid by Member through Payroll Deduction
20 or more	100%	0%
15 - 19	75%	25%
10 - 14	50%	50%
4 - 9	25%	75%
Less than 4	0%	100%

The medical insurance contribution rate was originally determined in the 1987 valuation as the level percent of payroll necessary to fund projected medical insurance premiums over the next sixteen years (taking into account the level of reserves in the Insurance Fund). Beginning in 1988, this rate is being increased each year by a percentage amount which will result in reaching the Entry Age Normal funding rate within a 20 year period measured from 1987.

The percentages of employer contributions to the systems which are in turn transferred to the Fund were actuarially determined through an actuarial valuation performed at June 30, 1992 and 1991, respectively, as follows:

	June 30	
	1993	1992
Non-Hazardous		
Kentucky Employes Retirement System	1.77%	1.77%
County Employes Retirement System	1.58%	1.38%

	June 30	
	1993	1992
Hazardous		
Kentucky Employes Retirement System	6.17%	6.17%
County Employes Retirement System	5.67%	5.11%
State Police Retirement System	9.48%	9.48%

The contribution requirements of $69,586,234 (KERS $36,149,681; CERS $29,022,159; and SPRS $4,414,394) and $44,501,526 (KERS $22,348,743; CERS $19,201,793; and SPRS $2,950,990) for 1993 and 1992, respectively, were part of the actuarial valuations at June 30, 1992 and 1991, for the system. The actual contributions received were $47,837,927 (KERS $22,370,387; CERS $22,545,855; and SPRS $2,921,685) and $43,391,446 (KERS $22,001,052; CERS $18,391,009; and SPRS $2,999,385) for 1993 and 1992, respectively.

The unfunded actuarial liability for medical benefit obligations is $2,351,196,497.

Three-Year Historical Trend Information — *Kentucky Employes Retirement System*

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Funds in Excess of) Pension Benefit Obligation	Annual Covered Payroll	Unfunded (Funds in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll	Employer Contribution	% of Covered Payroll	Actuarial Required Contribution
1991	$1,913,214,931	$2,125,370,347	90.0%	$ 212,155,416	$ 982,646,400	21.6%	$ 77,269,700	7.8634%	$ 68,423,239
1992	2,066,846,691	2,317,254,064	89.2%	250,407,373	1,065,985,572	23.5%	87,261,933	8.1860%	90,635,039
1993	2,251,373,006	2,485,620,547	90.6%	234,247,541	1,094,395,992	21.4%	90,568,496	8.2757%	98,567,107

Three-Year Historical Trend Information — *State Police Retirement System*

1991	$ 150,818,074	$ 163,020,917	92.5%	$ 12,202,843	$ 29,275,692	41.7%	$ 6,038,636	20.6268%	$ 5,083,382
1992	158,977,890	175,370,196	90.7%	16,392,306	31,285,572	52.4%	6,193,359	19.7962%	6,394,110
1993	169,070,559	184,225,349	91.8%	15,154,790	30,600,684	49.5%	6,113,532	19.9784%	6,831,809

Three-Year Historical Trend Information — *County Employees Retirement System*

1991	$1,396,227,005	$1,508,780,883	92.5%	$ 112,553,878	$ 887,033,040	12.7%	$ 77,403,269	8.7261%	$ 74,746,877
1992	1,554,891,540	1,696,645,283	91.6%	141,753,743	994,447,776	14.3%	89,149,505	8.9647%	90,489,975
1993	1,763,446,466	1,902,106,799	92.7%	138,660,333	1,074,056,004	12.9%	115,230,643	10.7286%	101,233,849

B. The Kentucky Judicial Form Retirement System - is the agent for the Kentucky Judicial Retirement Fund and the Kentucky Legislators' Retirement Fund, and is governed by State statutes which established each fund.

Judicial Retirement Plan - a single employer defined benefit plan which covers District, Circuit, Court of Appeals, and Supreme Court Judges. The Plan provides for retirement, disability, and death benefits.

Kentucky Legislators' Retirement Plan - a single employer defined benefit plan which covers members of the General Assembly. The Plan provides for retirement, disability, and death benefits.

To be eligible for retirement benefits under the Judicial Retirement Fund, a member must have either eight years of judicial service credit or a total of eight years of Kentucky government service credit, judicial and nonjudicial. Benefits are payable in the full amount only if the member is 65 years of age or over at retirement, or if a retired member waits until reaching 65 before drawing benefits. Monthly benefits are equal to 2.75% of the retiree's final average salary multiplied by the retiree's number of years of service credit, with the following exceptions: for members who entered the Plan between July 1, 1978, and June 30, 1980, the percentage is 4.15% and for members who entered the plan prior to July 1, 1978, the percentage is 5.00%. The final average salary is the average monthly compensation for the position held by the member for the 60 months immediately preceding retirement.

To be eligible for retirement benefits under the Legislators' Retirement Fund, a member must have five years of service credit earned for service as a Legislator or a total of eight years of Kentucky government service credit, legislative and nonlegislative. Benefits are payable in the full amount only if the member is 65 years of age or over at retirement, or if a retired member waits until reaching 65 before drawing benefits, or if the member has 30 years of total Kentucky governmental service, legislative and nonlegislative. Members retiring and drawing benefits before 65 receive reduced benefits. Monthly benefits are equal to 2.75% of the retiree's final average salary multiplied by the retiree's number of years of service credit, except that for members who were in office on July 1, 1982, the percentage varies according to the date of entering service. The final average salary is the average monthly creditable compensation as determined by KRS 61.510 (13) for the service as a Legislator for the 60 months immediately preceding retirement.

Members are required to contribute 5.00% of their salaries throughout the period of their membership in the Legislators' Fund or the Judicial Fund, except that those members who came into the Judicial Retirement Plan at a 3.00% contribution rate before July 1, 1978, will continue at that rate for the duration of their uninterrupted membership. Under KRS 21.525, the State is required to contribute annually an amount determined by applying the actuarially determined entry age normal cost funding rate to the creditable compensation of the members of the plan, plus interest at the actuarially assumed rate of interest of the plan. The plans have annual actuarial studies.

The actuarially determined contribution requirement for the Judicial Retirement Fund was $3,438,455 ($2,773,808 employer and $664,647 employee) for the year ended June 30, 1993. For 1993, contributions received totaled $2,688,388 of which the employer portion was $1,956,900 (13.5% of the covered payroll) and the employee portion was $731,488 (5.0% of the covered payroll).

The actuarially determined contribution requirement for the Legislators' Retirement Fund was $1,226,100 ($1,061,100 employer and $165,000 employee) for the year ended June 30, 1993. For 1993, contributions received totaled $1,282,396 of which the employer portion was $1,112,900 (34.56% of the covered payroll) and the employee portion was $169,496 (5.26% of the covered payroll).

The actuarial determined annual contribution is to pay normal cost plus interest of the unfunded past service liability plus an additional 1% of the unfunded past service liability. This contribution provides the normal retirement benefit and post-retirement death benefit for active members. In addition, it provides for the pre-retirement death benefit, vesting, return of contribution on termination, and the payment of a portion of medical insurance premiums for retirees.

Three-Year Historical Trend Information *Judicial Retirement Fund (Amounts expressed in millions)*

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Funds in Excess of) Pension Benefit Obligation	Annual Covered Payroll	Unfunded (Funds in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll	Employer Contribution	% of Covered Payroll	Actuarial Required Contribution
1991	$ 85.66	$ 84.41	101.5%	$ (1.24)	$ 13.88	(89.3%)	$ 1.59	11.4553%	$ 1.49
1992	89.50	90.47	98.9%	.97	14.48	6.7%	1.22	8.4454%	2.77
1993	92.98	94.89	97.9%	1.91	14.49	13.2%	1.96	13.5052%	2.77

Three-Year Historical Trend Information *Legislators' Retirement Fund (Amounts expressed in millions)*

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Funds in Excess of) Pension Benefit Obligation	Annual Covered Payroll	Unfunded (Funds in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll	Employer Contribution	% of Covered Payroll	Actuarial Required Contribution
1991	$ 20.84	$ 24.00	86.8%	$ 3.16	$ 3.30	95.8%	$ .89	27.0182%	$ .81
1992	22.55	26.77	84.2%	4.22	3.19	132.3%	.84	26.2571%	1.06
1993	24.03	28.64	83.9%	4.60	3.22	142.8%	1.11	34.5621%	1.06

C. Kentucky Teachers' Retirement System (KTRS) - is a cost sharing multiple employer defined benefit plan which covers substantially all persons occupying positions in the public elementary or secondary schools for which a teaching certificate is required, faculty members of five regional universities, the Superintendent of Public Instruction and professional staff, the faculty members of the School for the Deaf, School for the Blind, and the State area vocational schools. This Plan provides for retirement, disability, and death benefits.

KTRS members are required by statute to contribute 9.855% of their salaries to the System. University members are required to contribute 8.375% of their salaries. KRS 161.580 allows each university to reduce the contributions of its members by 2.215%; therefore, university members contribute 6.16% of their salary to KTRS. The Commonwealth of Kentucky is required to contribute 13.105% of salaries for its non-university members and 13.84% of salaries for university members. The member and employer contributions consist of pension contributions and post-retirement contributions. The post-retirement contribution (.75%) finances KTRS's retiree medical and insurance program. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee contributions plus interest earned are refunded to the employee upon their request.

Employees are entitled to an annual retirement benefit, payable monthly for life, if they either attain the age of fifty-five (55) and complete five (5) years of Kentucky service or complete twenty-seven (27) years of Kentucky service. Non-university employees receive monthly payments equal to either two (2) percent (service prior to January 1, 1984) or two and one-half (2 ½) percent (service after January 1, 1984) of their final average salaries for each year of credited service. University employees receive monthly benefits equal to two (2) percent of their final average salary for each year of credited service. The final average salary is the average of the employee's five (5) highest annual salaries. Employees with less than twenty-seven (27) years of service may retire and receive reduced retirement benefits. Members' retirement benefits become vested when they have completed five (5) years of credited service.

The employer and employee contributions to KTRS for the year ended June 30, 1993, were $280,818,343 (16.55% of covered payroll) and $178,900,953 (10.54% of covered payroll), respectively.

The employer contributions for the 1992-93 fiscal year were under the required actuarial contributions by $17.7 million. Of this amount, $11.3 million represents a required state payment for funding cost-of-living adjustments granted to retirees ($3 million for the 1986-88 and $8.3 million for the 1990-92 bienniums). The 1992 General Assembly enacted KRS 161.553 which requires full funding of the 1986-88 and 1990-92 cost-of-living adjustments beginning July 1, 1994.

In addition to the above employer and member contributions, the member and employer made contributions for post retirement benefits. The actuarial cost of the retiree cost-of-living adjustments granted by the General Assembly is funded over a twelve year period and is also included in employer contributions.

KTRS also provided postretirement health care benefits in accordance with KRS 161.675. To be eligible for medical benefits, the member must have retired either for service or disability, attained age 55, or had 27 years of service. Eligible dependents include unmarried dependent children under the age of 19 and spouses. Currently, KTRS insurance covers 19,130 retirees and 6,614 dependents.

The postretirement health care provided by KTRS are financed on a pay-as-you-go basis. In order to fund the postretirement health care benefits, one and five-tenths percent (1.5%) of the gross annual payroll of all active members is contributed. One-half (1/2) of this amount is derived from member contributions and one-half (1/2) from state appropriations. Also, effective September 1, 1992, retirees pay from 10-19% of the single premium cost and spouses pay from 45-100% of the cost. Priority is given to members with 20 or more years of service and members age 65 or older. Any amounts not required to meet current costs shall be maintained as a reserve for future health care benefits. As of June 30, 1993, KTRS had $34,633,434 of net assets available for future health care benefits.

The actuary for KTRS has determined that given the present level of State funding and member contributions, it will take thirty (30) years to fund the unfunded pension benefit obligation.

Ten Year Historical Trend Information - Ten year historical trend information (or as many years as available) showing the progress in funding the pension obligation is available in the audit reports for the individual PERS.

Three-Year Historical Trend Information *Teachers' Retirement System* *(Amounts expressed in millions)*

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Funds in Excess of) Pension Benefit Obligation	Annual Covered Payroll	Unfunded (Funds in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll	Employer Contribution	% of Covered Payroll	Actuarial Required Contribution
1991	$ 4,135.1	$ 5,716.0	72.3%	$ 1,580.9	$ 1,522.5	103.8%	$ 246.8	16.2078%	$ 253.9
1992	4,650.6	6,319.0	73.6%	1,668.4	1,669.2	100.0%	275.4	16.5013%	286.7
1993	5,155.6	6,852.7	75.2%	1,697.1	1,696.9	100.0%	280.8	16.5489%	292.1

Pension Benefit Obligations of the Retirement Systems - The amount shown below as the "pension benefit obligation" is a standard disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Systems on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Systems.

The pension benefit obligation was computed as a part of the actuarial valuations performed as of June 30, 1993. Significant actuarial assumptions used in the valuations include (a) a rate of return on the investment of present and future assets of 7 to 8 percent a year compounded annually, and (b) projected salary increases of 5.50 to 9.60% a year. The same assumptions used to compute the pension benefit obligation are used to compute the actuarial required contributions.

Pension Benefit Obligation *(Expressed in Thousands)*

	Kentucky Employes Retirement System	County Employes Retirement System	State Police Retirement System	Judicial Retirement Fund	Legislators' Retirement Fund	Kentucky Teachers' Retirement System	Total
Pension benefit obligation:							
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 1,032,183	$ 675,211	$ 95,801	$ 46,453	$ 15,583	$ 2,461,531	$ 4,326,762
Current employees:							
Accumulated employee contributions including allocated investment earnings	485,653	383,617	27,096	5,360	1,305	1,463,724	2,366,755
Employer-financed vested	967,785	843,278	61,328	38,397	10,959	1,685,389	3,607,136
Employer-financed nonvested				4,685	790	1,242,099	1,247,574
Total pension benefit obligation	2,485,621	1,902,106	184,225	94,895	28,637	6,852,743	11,548,227
Net assets available for benefits, at cost (market value $10,712,336)	2,251,373	1,763,446	169,070	92,975	24,028	5,155,559	9,456,451
Unfunded (funds in excess of) pension benefit obligation	$ 234,248	$ 138,660	$ 15,155	$ 1,920	$ 4,609	$ 1,697,184	$ 2,091,776

Membership of the retirement systems, at June 30, 1993, is shown in the following table:

	Kentucky Employes Retirement	County Employes Retirement	State Police Retirement	Kentucky Judicial Retirement	Kentucky Legislators' Retirement	Kentucky Teachers' Retirement
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them:	30,755	28,474	612	197	108	24,221
Current employees:						
Vested	31,338	34,436	740	128	74	39,824
Nonvested	17,591	29,594	217	95	49	13,018
Total	79,684	92,504	1,569	420	231	77,063

Note 9

EMPLOYEE BENEFIT PLANS

A. Self-Insured Health Care

The Commonwealth of Kentucky offers as one of ten health insurance options to employees of the State, local boards of education, local health departments and retirees, under the age of 65, a self-insured health care plan. The plan is known as Kentucky Kare and is administered by third parties who are responsible for the processing of claims, cost containment, and utilization review. Presently, 64,878 have selected Kentucky Kare as their health care provider for the plan period November 1, 1992 through December 31, 1993. There are 44,585 single coverage plans, 16,901 family coverage plans, and 3,392 single parent coverage plans.

B. Deferred Compensation

Employees of the Commonwealth, its cities, counties, and local school districts are eligible to participate in two deferred compensation plans as authorized by the United States Internal Revenue Code. These plans, labeled 457 and 401(k), after sections of the Code, are administered by the Department of Personnel and an independent plan administrator. The Commonwealth, through a board of trustees as defined in KRS 18A.245, selects the administrator to oversee the daily operations and technical compliance of the plans with applicable sections of the Internal Revenue Code. The Commonwealth's responsibilities consist of withholding payroll deductions for its employees, collecting employee withholdings of the cities, counties, and local school districts, and remitting those withholdings to the insurance companies holding fixed and variable annuity contracts (carriers). Both plans permit employees to defer collecting a portion of their salary until future years. This deferment is not available to employees until termination, retirement, death, or unforeseeable emergency.

All compensation deferred under Section 457, all property and rights purchased with that compensation, and all income attributable to that compensation, property, or rights belong solely to the employer until paid to the employee or beneficiary, subject only to the claims of the employer's general creditors. Participants' rights under the Plan are equal to those of the general creditors of the employer in an amount equal to the fair market value of the deferred account for each participant. All compensation deferred under Section 401(k) and resultant assets belong to the Plan participants.

Assets of the 457 Plan are reported in an Agency Fund within the fiduciary fund type. Assets of the 401(k) Plan are not reported in these statements and are not available to the general creditors of the employers.

Of the $269,619,039 in the 457 Plan at June 30, 1993, $192,639,004 was applicable to the Commonwealth while the remaining $76,980,035 represents assets of the other jurisdictions participating in the Plan.

On February 12, 1993, an order to rehabilitate Kentucky Central Life Insurance Company, one of the carriers for the Kentucky Public Employees Deferred Compensation System, was granted to the Commonwealth of Kentucky's Department of Insurance because of the Company's deteriorating financial condition. As of June 30, 1993, the System had a balance of approximately $87 million in the group annuity fixed contract with this carrier.

Note 10

LEASE OBLIGATIONS

The Commonwealth has entered into various leases for land, buildings, and equipment. Generally, leases contain termination clauses providing for cancellation after 30, 60, or 90 days written notice. In addition, certain leases contain appropriation clauses indicating that continuation of the lease is subject to funding by the General Assembly. It is expected that in the normal course of business most of these leases will be replaced by similar leases.

At June 30, 1993, capitalized leases included equipment as follows (Expressed in Thousands):

Equipment acquired through capital leases is recorded at the lesser of fair market value or present value of future minimum lease payments.

	Proprietary Fund Types	General Fixed Assets
Equipment	$ 23,226	$ 4,197
Less: Accumulated amortization	9,525	
	$ 13,701	$ 4,197

Future minimum rental commitments for capitalizable leases as of June 30, 1993, are as follows (Expressed in Thousands):

	Long-term Obligations Account Group	Enterprise Funds	Internal Service Funds	University and College Funds	Total
1994	$ 1,066	$ 717	$ 5,100	$ 16,883	$ 23,766
1995	640	586	3,250	13,515	17,991
1996	276		3,158	9,355	12,789
1997	83		2,357	7,493	9,933
1998	13		3	7,331	7,347
Thereafter				84,562	84,562
Total	2,078	1,303	13,868	139,139	156,388
Less: Amounts representing Interest (0 to 18.7%)	327	87	1,387	59,063	60,864
Present value of future minimum lease payments	$ 1,751	$ 1,216	$ 12,481	$ 80,076	$ 95,524

Changes in leases payable accounted for in the general long-term obligation account group for the year ended June 30, 1993, are summarized in Note 14.

A portion of the capital lease liability for the University and College Fund is applicable to leases with the Commonwealth.

Note 11

RISK MANAGEMENT

The Commonwealth is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commonwealth utilizes the Risk Management Fund to account for these activities.

Fire and Tornado Insurance:
The Fire and Tornado Insurance Program is established to account for and finance its uninsured risk of loss arising from damages to State buildings and personal property. Under this program, coverage is provided for up to a maximum of $500,000 per occurrence of loss for each insured subject of risk. The Fire and Tornado Insurance Program purchases Reinsurance for claims in excess of coverage provided by the Program. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The claims liability of $250,000 reported in the Program at June 30, 1993, is based on the requirements of GASB 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Program's claims liability amount in fiscal 1992 and 1993 were:

	Fiscal Year 1992	Fiscal Year 1993
Beginning of Fiscal Year Liability	$ 3,615	$ 710,225
Incurred Claims	940,780	1,272,986
Changes in Estimates	0	0
Claim Payments	(234,170)	(1,733,211)
Balance at Fiscal Year End	$ 710,225	$ 250,000

Self Insured Workers' Compensation:
The Workers' Compensation Program is self-insurance for the benefit of the Commonwealth's employees, and others as described in KRS 18A.370. Losses payable by the Program include medical claims and loss of wages as a result of an employment related injury. Premiums are established based upon estimated claims and administrative cost for the coming fiscal year. The Program carries reinsurance coverage for large individual or incident claims between $5,000,000 and $25,000,000. Settled claims have not exceeded commercial insurance coverage for the past three fiscal years.

The actuarial determined aggregate claims liability of $28,332,636 reported in the Program at June 30, 1993, includes both reported and unreported insured events, including estimates of future payments of losses and related claims' adjustments. Changes in the Program's claims liability amount in fiscal 1992 and 1993 were:

	Fiscal Year 1992	Fiscal Year 1993
Beginning of Fiscal Year Liability	$ 18,473,449	$ 29,836,888
Claims and Claims Adjustments Incurred	11,109,296	11,012,869
Changes in Estimates	9,343,195	(2,788,496)
Claims and Claims Adjustment Payments	(9,089,052)	(9,728,625)
Balance at Fiscal Year End	$ 29,836,888	$ 28,332,636

Transportation Cabinet Workers' Compensation:
The Transportation Cabinet's Self-Insured Worker's Compensation Trust Program (the "Program") was organized on July 1, 1993, as a self-insurance fund administered by the Transportation Cabinet of the Commonwealth of Kentucky (the "Cabinet"). The purpose of the Program is to provide workers' compensation insurance to the employees of the Cabinet. The losses incurred by the Program are serviced by a designated third-party administrator who processes and reports all claims to the Program. The aggregate claims liability is based on an actuarial study, dated June 30, 1993.

	Fiscal Year 1992	Fiscal Year 1993
Beginning of Fiscal Year Liability	$ 3,033,600	$ 19,301,483
Claims and Claims Adjustments Incurred	4,619,000	3,107,650
Changes in Estimates	15,333,226	
Claims and Claims Admustment Payments	(3,684,343)	(3,708,454)
Balance at Fiscal Year End	$ 19,301,483	$ 18,700,679

NOTE 12

RISK POOLS

The Insurance Administration Fund accounts for the operation of six public entity risk pools. These are Kentucky Kare, Workers' Compensation Insurance, Petroleum Storage Tank Assurance, Bond Pool, Mine Subsidence Insurance, and Grain Insurance.

Kentucky Kare:
Kentucky Kare is a self insured health care plan offered to employees of the State, local boards of education, local health departments, and retirees under the age of 65 of the Kentucky Retirement Systems. This plan is administered by third parties who are responsible for the processing of claims, cost containment, and utilization review.

As of June 30, 1993, the number of employees, retirees, and former employees electing COBRA extension of benefits were as follows: State employees, retirees, and former employees of 21,292; local board of education employees of 41,648; and local health department employees of 1,938.

Monthly premiums are established by the Commonwealth. They vary by the benefit coverage and the dependent status (single, family, or single parent). The plan offers four levels of coverage: Kentucky Kare Essential, Kentucky Kare Standard, Kentucky Kare Select, and Kentucky Kare Premier. Preventive dental care is included with Kentucky Kare Standard, Kentucky Kare Select, and Kentucky Kare Premier.

Estimates of the liabilities for incurred (both reported and unreported) but unpaid claims are actuarially determined using the development method. This method uses past observed patterns of the time between claim incurral and payment to estimate incurred claims from available paid claims information. Liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Claim adjustment expense is included in the administrative fee paid to the third party administrator. This fee is paid based on the number of subscribers covered. Upon expiration of termination of the contract with the administrator, the administrator remains obligated to process all claims for which it has received a request for benefit payment.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related claims' adjustments. The following represents changes in this liability for the Plan during the past two years:

	Fiscal Year 1992	Fiscal Year 1993
Beginning Unpaid Claims Liability	$ 18,736,511	$ 21,315,938
Claims Incurred:		
Current Year	117,569,587	128,942,476
Increase In Prior Years	1,068,735	(4,074,236)
Incurred Claims Total	118,638,322	124,868,240
Claims Paid:		
Current Year	96,278,927	109,559,133
Prior	19,779,968	17,146,184
Payments Total	116,058,895	126,705,317
Ending Unpaid Claims	$ 21,315,938	$ 19,478,861

Workers' Compensation Insurance:
The Workers' Compensation Insurance Program, a risk sharing pool, covers pre-existing conditions to protect employers from having to pay for injuries not sustained in their employ, or more than once for disabilities resulting from the same accident. This program encourages re-employment of injured workers at adequate wages by relieving the employer of the requirement of paying disability compensation in addition to full wages. The Program also covers claims against uninsured employers.

The Program establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that

have been incurred but not reported. The claims liability of $792,744,907, as reported in the financial statements, is the present value of the aggregate actuarial determined claims liability of $1,687,686,153, discounted at 7.5%. The claims adjustment liability of $37,019,978 is the actuarial determined aggregate liability and is not discounted. Changes in the Program's aggregate liabilities for claims and claims adjustment for the past two years are:

	Fiscal Year 1992	Fiscal Year 1993
Beginning of Fiscal Year Liability	$ 1,700,789,301	$ 1,693,352,268
Claims and Claims Adjustments Incurred	98,209,503	202,834,333
Changes in Estimates		(49,528,605)
Claims and Claims Adjustment Payments	(105,646,536)	(121,951,865)
Balance at Fiscal Year End	$ 1,693,352,268	$ 1,724,706,131

Petroleum Storage Tank Assurance Program:

The Petroleum Storage Tank Assurance Program, a risk sharing pool, was created in the 1990 regular session of the Kentucky General Assembly to assist petroleum storage tank owners or operators in complying with federal financial responsibility requirements relating to petroleum storage tanks and in cleaning up contamination caused by leaking tanks. The Program is funded by a fee paid by dealers on each gallon of gasoline and special fuels received in the State at a rate of four-tenths ($0.004) of one cent per gallon.

The Program insures petroleum storage tank owners or operators for cost incurred for cleanup and other corrective action required in cleaning up contamination caused by leaking petroleum storage tanks. The Program also provides coverage for third party claims against the owners or operators for damages sustained as a result of leaking storage tanks. Claims paid by the Program are subject to deductibles which are applied separately, by occurrence, for cleanup claims and third party damage claims. The deductible is set at $10,000 for owners or operators of five or less tanks and at $25,000 for owners or operators of six or more tanks.

The Program establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The claims liability of $169,818,137 reported in the financial statements, is the aggregate actuarial determined claims liability and is not discounted. The claims adjustment liability of $3,556,206 is the actuarial determined aggregate liability and is not discounted. Changes in the Program's aggregate liabilities for claims and claims adjustment for the past two years are:

	Fiscal Year 1992	Fiscal Year 1993
Beginning of Fiscal Year Liability	$ 69,021,997	$ 115,169,061
Claims and Claims Adjustments Incurred	48,913,000	62,974,975
Changes in Estimates		
Claims and Claims Adjustment Payments	(2,765,936)	(4,769,693)
Balance at Fiscal Year End	$ 115,169,061	$ 173,374,343

The actuarial study of the Program has projected that the current assessment rate of ($0.004) per gallon is not sufficient to fund the Program. Based on the current assessment rate, the Program will have an unfunded liability in excess of $200 million in the year 2001. The officials responsible for administering the Program are expected to ask the 1994 General Assembly to increase the assessment rate to sufficiently fund the Program.

Bond Pool:

The Bond Pool was established in 1986 to provide an alternative bonding program for small to medium sized coal companies in Kentucky. Membership in the Pool is voluntary and perspective members must apply to become members. Applicants must meet standards set by the Bond Pool Commission to be accepted as members of the Bond Pool. These standards, used to evaluate potential Bond Pool members, considers factors such as the mining experience, reclamation history, and financial condition of the applicant.

Accepted members are rated by the Commission based on the standards considered in the application process. The members are rated and assessed an initial membership fee based on this rating. This fee ranges from $1,000 to $2,500. Additionally members pay tonnage fees of $.05 per ton of surface mined coal and $.01 per ton for underground mined coal. Provisions are also in effect where the tonnage fee is suspended, for members who have participated in the Program for 36 months, when the Program balance exceeds $7 million.

The coal companies participating in the Program are required to post a permit specific bond based on the number of acres permitted and their rating in the Program. The Bond Pool in turn provides coverage for reclamation cost that exceed the permit specific bond but limits claims to the total amount of bond required by the permit. The Bond Pool does not pay claims for costs incurred in excess of the required bond amount.

The Program establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that

have been incurred but not reported. The claims liability of $1,901,840 as reported in the financial statements, is the aggregate actuarial determined claims liability. The claims adjustment liability of $589,570 is the actuarial determined aggregate liability and is not discounted. Changes in the Program's aggregate liabilities for claims and claims adjustment for the past two years are:

	Fiscal Year 1992	Fiscal Year 1993
Beginning of Fiscal Year Liability	$ 1,609,723	$ 2,058,560
Claims and Claims Adjustments Incurred	600,252	557,430
Changes in Estimates		
Claims and Claims Adjustment Payments	(151,415)	(124,580)
Balance at Fiscal Year End	$ 2,058,560	$ 2,491,410

Mine Subsidence Insurance:

The Mine Subsidence Insurance Program is administered by the Department of Insurance. The provisions of the Program require that all insurance policies issued or renewed that insure a structure located in any county in the State, except those specifically exempted by KRS 304.44-60, shall include a separately stated premium for mine subsidence damage coverage. This premium is assessed at the amount determined by the Program and the insurer is required to cede this coverage to the Program. The insurer may refuse to provide coverage where pre-existing damage is determined to exist. The Program provides coverage subject to a deductible of 2% of the policy's total insured value or not less than $250 and not more than $500. The Mine Subsidence Program also limits its coverage to $50,000 per structure.

The claims liability of $150,000 reported in the Program at June 30, 1993, is based on the requirements of GASB 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Program's claims liability amount in fiscal 1992 and 1993 were:

	Fiscal Year 1992	Fiscal Year 1993
Beginning of Fiscal Year Liability	$ 0	$ 85,000
Claims and Claims Adjustments Incurred	256,495	160,059
Changes in Estimates		
Claim and Claims Adjustment Payments	(171,495)	(95,059)
Balance at Fiscal Year End	$ 85,000	$ 150,000

Grain Insurance:

The Grain Insurance Program is established to promote economic stability in agriculture by providing coverage to grain producers for losses incurred in the event of a financial failure of a grain dealer or grain warehouseman. The Program is funded by a half cent per bushel assessment on all marketed grain produced in Kentucky. The Program also has provisions that the assessment can be suspended when the balance of the Program reaches $3 million and if suspended will be reapplied when the balance of the Program drops to $2 million.

The claims liability of $0 reported in the Fund at June 30, 1993, is based on the requirements of GASB 10, which states that a liability for claims be reported, if information prior to the issuance of the financial statements indicates that a probable liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. Changes in the Program's claims liability amount in fiscal 1992 and 1993 were:

	Fiscal Year 1992	Fiscal Year 1993
Beginning of Fiscal Year Liability	$ 451,392	$ 0
Claims and Claims Adjustments Incurred	871,313	639,317
Changes in Estimates		
Claims and Claims Adjustment Payments	(1,322,705)	(639,317)
Balance at Fiscal Year End	$ 0	$ 0

Note 13

DEFEASANCE OF LONG-TERM DEBT

The State Property and Buildings Commission issued $156,825,000 Revenue and Revenue Refunding Bonds, Project 54, dated July 15, 1992. The net proceeds of this issue were $155,018,968, after discounts and issuance costs of $1,806,032. $19,303,100 of the

proceeds were used to finance new projects. The remaining $135,725,197 along with $3,189,221 from Bond Reserve Funds were placed in an escrow account with the trustee to refund the outstanding bonds of Refunding Revenue Bonds Projects 28 (Second Series), Refunding Revenue Bonds Project 29 (Second Series), Economic Development Refunding Revenue Bonds Project 30 (Third Series), Economic Development Revenue Bonds Project 30 (Fourth Series), Economic Development Revenue Bonds Project 39 (First Series), Economic Development Revenue Bonds Project 39 (Fourth Series), and Multipurpose Revenue Bonds Project 48 maturing on and after February 1, 1999 (the "Refunded Bonds"). The money will be invested in certain direct obligations of the United States of America, which will earn interest at such rates and mature on such dates so as to provide sufficient funds, together with any cash held uninvested in the escrow fund, to pay the principal of and interest on certain of the Refunded Bonds on their respective dates at their respective redemption prices plus accrued interest to such redemption date.

The Refunding Bonds issued mature through September 1, 2012 and carry interest rates 2.40% to 6.00%. The net savings (reduction in cash flow) for the Refunding Bonds will be $10,675,119. The present value of the savings is $5,049,978 at a rate of 5.4421%.

The Kentucky School Facilities Construction Commission issues revenue bonds on behalf of local school districts to finance construction of new facilities or the major renovation of existing facilities. The Commission participates in the payment of debt service for qualifying districts. During the fiscal year ended June 30, 1993, the Commission issued the following refunding bonds:

On September 1, 1992, refunding bonds were issued for the Bath County School District Finance Corporation to refund a 1987 issue. The Commission's portion of the refunding issue was $1,288,339 maturing from March 1, 1993 through September 1, 2007, and carrying interest rates ranging from 4.00% to 5.40%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1987 issue. The net savings to the Commission is $81,232 and the present value of the savings is $54,824 at a rate of 5.0588%.

On September 1, 1992, refunding bonds were issued for the Crittenden County School District Finance Corporation to refund a 1980 issue. The Commission's portion of the refunding issue was $992,273 maturing from December 1, 1992 through June 1, 2005, and carrying interest rates ranging from 3.00% to 5.00%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1980 issue. The net savings to the Commission is $66,086 and the present value of the savings is $50,280 at a rate of 5.0663%.

On October 1, 1992, refunding bonds were issued for the Magoffin County School District Finance Corporation to refund 1980 and 1987 issues. The Commission's portion of the refunding issue was $1,506,000 maturing from March 1, 1993 through September 1, 2007, and carrying interest rates ranging from 2.40% to 6.00%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1980 and 1987 issues. The net savings to the Commission is $56,365 and the present value of the savings is $42,310 at a rate of 5.1178%.

On October 1, 1992, refunding bonds were issued for the Knox County School District Finance Corporation to refund a 1987 issue. The Commission's portion of the refunding issue was $1,172,371 maturing from October 1, 1993 through 2007, and carrying interest rates ranging from 3.00% to 5.75%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1987 issue. The net savings to the Commission is $65,358 and the present value of the savings is $48,681 at a rate of 5.498%.

On October 1, 1992, refunding bonds were issued for the Russell County School District Finance Corporation to refund Series 1979, 1980 and 1987 issues. The Commission's portion of the refunding issue was $375,867 maturing from April 1, 1993 through 2007, and carrying interest rates ranging from 3.00% to 6.00%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1979, 1980 and 1987 issues. The net savings to the Commission is $26,826 and the present value of the savings is $19,823 at a rate of 5.370024%.

On November 1, 1992, refunding bonds were issued for the Silver Grove Independent School District Finance Corporation to refund a 1979 issue. The Commission's portion of the refunding issue was $452,165 maturing from November 1, 1993 through 2012, and carrying interest rates ranging from 4.50% to 6.20%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1979 issue. The net savings to the Commission is $53,960 and the present value of the savings is $39,023 at a rate of 5.525%.

On December 1, 1992, refunding bonds were issued for the Ashland Independent School District Finance Corporation to refund a portion of the 1986 issue. The Commission's portion of the refunding issue was $536,694 maturing from December 1, 1993 through 2005, and carrying interest rates ranging from 5.15% to 5.375%. The proceeds were placed in an escrow account to fund the debt service requirements of the portion of the 1986 issue being defeased. The net savings to the Commission is $46,818 and the present value of the savings is $32,932 at a rate of 5.5327%.

On November 1, 1992, refunding bonds were issued for the Jessamine County School District Finance Corporation to refund 1986 and 1987 issues. The Commission's portion of the refunding issue was $1,174,234 maturing from June 1, 1993 through 2007, and carrying interest rates ranging from 5.00% to 5.50%. The proceeds were placed in an escrow account to fund the debt service

requirements of the 1986 and 1987 issues. The net savings to the commission is $104,574 and the present value of the savings is $66,551 at a rate of 5.597%.

On December 1, 1992, refunding bonds were issued for the Todd County School District Finance Corporation to refund a 1987 issue. The Commission's portion of the refunding issue was $879,113 maturing from October 1, 1993 through 2008, and carrying interest rates ranging from 5.00% to 5.25%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1987 issue. The net savings to the Commission is $73,079 and the present value of the savings is $49,532 at a rate of 5.4227%.

On February 1, 1993, refunding bonds were issued for the Morgan County School District Finance Corporation to refund a 1988 issue. The Commission's portion of the refunding issue was $1,917,460 maturing from February 1, 1994 through 2008, and carrying interest rates ranging from 4.50% to 4.75%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1988 issue. The net savings to the Commission is $160,600 and the present value of the savings is $117,357 at a rate of 4.86%.

On March 1, 1993, refunding bonds were issued for the Elliott County School District Finance Corporation to refund a 1987 issue. The Commission's portion of the refunding issue was $2,083,036 maturing from June 1, 1993 through December 1, 2007, and carrying interest rates ranging from 2.65% to 5.40%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1987 issue. The net savings to the Commission is $149,815 and the present value of the savings is $104,593 at a rate of 4.8260%.

On March 1, 1993, refunding bonds were issued for the Pike County School District Finance Corporation to refund 1987 and 1988 issues. The Commission's portion of the refunding issue was $9,330,000 maturing from June 1, 1993 through December 1, 2007, and carrying interest rates ranging from 2.50% to 5.50%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1987 and 1988 issues. The net savings to the Commission is $465,513 and the present value of the savings is $272,568 at a rate of 5.2413%.

On June 1, 1993, refunding bonds were issued for the Oldham County School District Finance Corporation to refund a 1979 issue. The Commission's portion of the refunding issue was $785,000 maturing from December 1, 1993 through December 1, 1999, and carrying interest rates ranging from 2.40% to 4.25%. The proceeds were placed in an escrow account to fund the debt service requirements of the 1979 issue. The net savings to the Commission is $53,278 and the present value of the savings is $45,438 at a rate of 4.2477%.

The University of Kentucky issued $21,280,000 Hospital Refunding Revenue Bonds, Series A (Second Series), Dated January 1, 1993, to refund in advance of maturity University of Kentucky Hospital Revenue Bonds, Series A - Dated August 1, 1986. The net proceeds of $20,847,379, after discounts and cost of issuance totaling $432,621, were deposited with an escrow agent. The net savings to the University is $1,534,343 and the present value of the savings is $1,091,964 at a rate of 5.24656%.

The University of Kentucky issued $29,600,000 Community Colleges Educational Buildings Refunding Revenue Bonds, Series J, Dated May 1, 1993, to refund in advance of maturity University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series D (Second Series); Series E; and Series G. The net proceeds of $28,928,935, after discounts and cost of issuance totaling $671,065, were deposited with an escrow agent. The net savings to the University is $1,818,590 and the present value of the savings is $1,239,006 at a rate of 5.213703%.

The University of Kentucky issued $6,340,000 Consolidated Educational Buildings Refunding Revenue Bonds, Series F (Second Series), dated March 1, 1993, to refund in advance of maturity University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series F. The net proceeds of $6,221,506, after discounts and cost of issuance totaling $118,494, along with $20,894 interest earnings were deposited with an escrow agent. The net savings to the University is $667,804 and the present value of the savings is $546,706 at a rate of 4.3775%.

The University of Kentucky issued $7,575,000 Consolidated Educational Buildings Refunding Revenue Bonds, Series K (Second Series), dated June 1, 1993, to refund in advance of maturity University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series K. The net proceeds of $7,367,100, after discounts and cost of issuance totaling $207,900, along with $757,500 from the debt service reserve of the Series K Bonds were deposited with an escrow agent. The net savings to the University is $380,104 and the present value of the savings is $274,472 at a rate of 5.23%.

On March 18, 1993, the Kentucky Housing Corporation issued $10,625,000 principal amount 1993 Series A Multi-Family Mortgage Revenue Bonds. The proceeds of this issue were used to refund $9,230,000 of outstanding 1985 Series A Multi-Family Mortgage Revenue bonds and to pay accreted interest of $1,395,000 of the redemption date of April 1, 1993. Although the current refunding resulted in an accounting loss of $471,000 for the year ended June 30, 1993, the Corporation reduced its aggregate debt service payments through fiscal year 2022 by $7,112,000 and obtained a net present value economic gain of $5,502,000 at a rate of 5.66%.

The Turnpike Authority of Kentucky issued $250,493,658.45 of Economic Development Road Revenue Refunding Bonds (Revitalization Projects) Series 1992, dated October 1, 1992. The net proceeds of this issue were $245,993,017, after discounts and issuance costs of $4,500,641. This amount was placed in an escrow account with the trustee to refund the Authority's Economic Development Road Revenue Bonds, 1987 Series A, maturing on and after July 1, 2000; Economic Development Road Revenue Bonds, 1986 Series A, in the principal amount of $15,000,000 which mature on January 1, 2000, and the entire principal amount of 1986 Series A Bonds which mature on and after July 1, 2000; Economic Development Road Revenue Bonds (Revitalization Projects) Series 1990 which mature May 15, 1993, and May 15, 1994, and in the principal amount of $10,000,000 of Series 1990 Bonds which mature on May 15, 2010, through a date on which such 1987 Series A Bonds, 1986 Series A Bonds, and Series 1990 Bonds are to be called for redemption.

The Refunding Bonds issued mature through January 1, 2010, and carry interest rates of 3.70% to 6.60%. The net savings (reduction in cash flow) for the Refunding Bonds will be $17,531,526. The present value of the savings is $9,413,337 at the rate of 5.882%.

The Turnpike Authority of Kentucky issued $570,540,000 of Economic Development Road Revenue and Revenue Refunding Bonds (Revitalization Projects) Series 1993, dated April 1, 1993. The net proceeds of this issue were $557,758,457, after discounts and issuance costs of $12,781,543. $150,000,000 of the issue was to finance new projects and $283,920,688 was placed in an escrow account with the trustee to refund the Authority's Economic Development Road Revenue Bonds (Revitalization Projects), Series 1990, in the principal amount of $63,185,000 stated to mature May 15, 2010, and the entire principal amount stated to mature May 15, 1995, to and including May15, 2007.

The Refunding Bonds issued mature through July 1, 2013 and carry interest rates of 3.50% to 5.75%. The net savings (reduction in cash flow) for the Refunding Bonds will be $7,863,064. The present value of the savings is $10,519,363 at the rate of 5.49%.

The Turnpike Authority of Kentucky issued $94,370,000 of Taxable Toll Road Revenue Refunding Bonds 1993 Series A, dated June 3, 1993. The net proceeds of this issue $94, 140,741, after discounts and issuance costs of $229,259, were placed in an escrow account with the trustee to refund the Authority's Toll Road Revenue Bonds, 1986 Series A, in the principal amount of $27,500,000 stated to mature July 1, 2010 and $53,290,000 principal amount stated to mature July 1, 2004.

The Refunding Bonds issued mature through July 1, 1996, and carry interest rates of 3.50% to 5.25%. The net savings (reduction in cash flow) for the Refunding Bonds will be $64,301,739. The present value of the savings is $15,313,736 at the rate of 4.899%.

On December 1, 1992, Kentucky State University issued $7,690,000 Consolidated Educational Building Refunding Revenue Bonds, Series H and $3,350,000 Housing and Dining System Refunding Revenue Bonds, Series F, to advance refund $7,325,000 and $3,220,000 of outstanding 1985 Series F and Series E bonds, respectively. The net proceeds of approximately $7,511,000 and $3,259,000 (after payment of approximately $179,000 and $91,000 in issuance costs) plus an additional $630,000 and $320,000, respectively, of excess debt serivce reserves were used to purchase U.S. Treasury Notes. Those Treasury Notes were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1985 Series bonds noted above.

The refunding bonds mature through May 1, 2005, and carry interest rates from 5.00% to 5.60%. The net savings (reduction in cash flow) for the Refunding Bonds will be approximately $1,056,153 and $454,159, respectively. The present value of the savings is $635,074 and $260,700, respectively, at the rate of 5.233%.

On May 1, 1993, Morehead State University issued $3,775,000 in Consolidated Educational Buildings Series J Refunding Bonds, to advance refund $3,670,000 Series G Bonds dated May 1, 1971. The net proceeds were $3,691,132 (after payment of $83,868 issuance costs and discount). The net proceeds were used to redeem the principal outstanding and the 1% redemption premium on the Series G Bonds due May 1, 1994-2001.

The University advance refunded the 1971 Series G bonds to reduce its total debt service payments over the next eight years by approximately $323,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately $205,000, at the rate of 4.28%.

Murray State University issued $11,660,000 of Consolidated Educational Buildings Refunding Revenue Bonds, Series G (Second Series), dated March 1, 1993, to refund in advance of maturity Murray State University Consolidated Educational Buildings Revenue Bonds, Series G. The net proceeds of $11,403,576, after discounts and cost of issuance totaling $256, 424, were deposited with an escrow agent to pay the interest requirements due and payable through May 1, 1998, on the Series G Bonds maturing on and after May 1, 1999. On May 1, 1998, all Series G Bonds outstanding will be redeemed along with the required redemption premium of 2%. The net savings to the University is $702,187 and the present value of the savings is $501,911 at a rate of 5.405%.

On February 4, 1993, Northern Kentucky University issued $8,390,000 in Consolidated Educational Building Refunding Revenue Bonds Series H, with a net interest cost of 5.43% to advance refund $6,830,000 of outstanding 1987 Consolidated Educational Buildings Revenue Bonds-series D with a net interest cost of 8.89%. The net proceeds of $7,348,859 (after payment of $1,041,141 in underwriting fees, insurance, reserve payments and other issuance costs)

plus an additional $839,000 from the 1987 Series D Reserve fund were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to be used solely for satisfying scheduled interest payments on the 1987 Series D bonds until bonds are called on May 1, 1998. The net savings (reduction in cash flow) for the Refunding Bonds will be $753,546 and the present value of the savings is $561,813, at the rate of 5.254%.

On May 1, 1993, the University of Louisville issued $46,190,000 of Consolidated Educational Buildings Refunding Revenue Bonds, Series I to advance refund the University's outstanding Consolidated Educational Buildings Refunding Revenue Bonds, Series E & F Bonds (Second Series) maturing on and after May 1, 1997. On November 1, 1996, all outstanding Series E & F Bonds (Second Series) will be redeemed along with the required redemption premium of 3%. The University will continue to pay the interest and principal requirements on the Series E & F Bonds (Second Series) maturing May 1, 1994-1996 from its own funds. The net proceeds of $45,128,076 (after payment of $1,061,924 in discount and issuance costs) plus an additional $4,335,000 from the 1986 Series E & F Refunding sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all debt service payments from November 1, 1996, forward on the 1986 Series E & F Refunding bonds.

The refunding bonds carry interest rates from 5.10% to 5.40% maturing to May 1, 2013. The net savings (reduction in cash flow) for the Refunding Bonds will be $4,186,960 and the present value of the savings is $2,452,973, at the rate of 5.481%.

On April 7, 1993, the Kentucky Infrastructure Authority issued $20,250,000 of Governmental Agencies Revenue and Revenue Refunding Bonds, 1993 Series E, dated April 1, 1993. $14,485,000 (par value) was to advance refund revenue bonds Series 1988A and B with a par value of $12,575,000. The net proceeds were $14,104,666 (after payment of $380,334 in discount and issuance costs). The net proceeds from the issuance of the 1993E revenue bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the revenue bonds are called on September 1, 1998.

As a result of the advance refunding, the Authority reduced its total debt service requirements by $1,152,055, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $760,450, at the rate of 5.62%.

All defeasances have been determined, by bond counsel, to be legal defeasances. The amounts determined to be defeased have been removed from the finanical statements of the Commonwealth and its component units.

Note 14

LONG-TERM OBLIGATIONS

General obligation bonds are issued through the State Property and Buildings Commission, subject to general referendum approval required by the Kentucky Constitution. General obligation bonds pledge the full faith, credit, and taxing power of the Commonwealth and denote application of specific or general tax revenues to provide payment of principal and interest requirements on the debt. No new issues of this type have been issued since 1965, and there are no general obligation bonds authorized but unissued at June 30, 1993.

General obligation bonds outstanding at June 30, 1993, are as follows (Expressed in Thousands):

Purpose	Principal Outstanding	Interest Rate	Annual Maturity To
Various Purpose	$ 3,895	3.5%	1995
Highway	26,125	3.5%-6.0%	1995
	$ 30,020		

Future general obligation debt service requirements at June 30, 1993, are as follows (Expressed in Thousands):

Year Ending June 30,	Principal	Interest	Total
1994	$ 14,750	$ 1,309	$ 16,059
1995	15,270	642	15,912
	$ 30,020	$ 1,951	$ 31,971

Revenue Bonds - General authorization for the use of revenue bonds is contained in Chapter 58 of the Kentucky Revised Statutes. Specific authority is contained in the legislation and related KRS chapters creating and empowering the various debt issuing entities. Reference to such legislation and laws is made throughout the following entity descriptions. Effective July 15, 1980, KRS 56.870 requires prior approval of debt financing projects by the Kentucky General Assembly sitting in regular or special sessions. Succeeding statutes establish the methods for this approval and the exemptions from it. The majority of new debt issues are approved through the appropriation act. Per KRS 56.873, effective July 15, 1980, revenue bonds having passed the above mechanisms, and not requiring State appropriations, must receive an "A" rating by Moody's Investors Service or the equivalent rating by another qualified rating agency prior to their sale.

Project revenue debt pledges only the revenues produced by the project so funded as security for repayment and does not directly obligate the Commonwealth. Kentucky's project revenue debt may be further classified by the purpose of the debt. Revenue debt issued by the Kentucky Housing Corporation, Kentucky Infrastructure Authority, Kentucky Higher Education Student Loan Corporation, Kentucky Economic Development Finance Authority, Kentucky Local Correctional Facilities Construction Authority, Kentucky Agricultural Finance Corporation, and Kentucky School Facilities Construction Commission is used as a financing mechanism for activities and facilities not used directly for State purposes. The tax-exempt status of such "municipal debt," whether issued by State or local governments, is used to provide financing for entities unable to bear the costs of private financing when the General Assembly deems such entities worthy of public assistance. The

other category of revenue debt finances facilities used directly by State Government in daily activities such as roads, parks, office buildings, and educational facilities. The primary distinction between these categories is that the first type, with the exceptions of the Kentucky School Facilities Construction Commission, which succeeds the Kentucky School Building Authority, and the Kentucky Infrastructure Authority, which succeeds the Kentucky Pollution Abatement and Water Resources Finance Authority, requires no State funds of any type to provide "debt service," principal and interest payments, on the debt. The School Facility Construction Commission supplements funds provided by local governments and school boards in varying percentages for debt service. The Kentucky Infrastructure Authority may accept appropriations made by the General Assembly, in addition to State and Federal grants, related to the purposes for which it was created. This distinction is important in analyzing the true level of "State" debt and the "burden" of that debt on State resources.

The agencies and authorities that issue debt and their respective amounts of principal outstanding, net of discounts and defeased bonds, at June 30, 1993, are as follows (Expressed in Thousands):

General Long-Term Obligations Account Group		Principal Outstanding	Interest Rate	Annual Maturity To
Agency:				
State Property & Buildings Commission	$ 1,023,911			
Less: Project 16	2,305	$ 1,021,606	2.4%-9.84%	2018
Turnpike Auth. of Kentucky		1,602,084	3.5%-10.2%	2011
Kentucky School Facilities Construction Commission	983,295			
Less: Local school district participation	492,967	490,328	3.25%-8.8%	2011
Total		$ 3,114,018		

Future revenue bond debt service requirements, to be paid with State funds, at June 30, 1993, are as follows (Expressed in Thousands):

Year Ending June 30,	Principal	Interest	Total
1994	$ 152,386	$ 189,248	$ 341,634
1995	164,682	179,813	344,495
1996	172,319	168,317	340,636
1997	163,682	164,265	327,947
1998	180,973	157,870	338,843
Thereafter	2,279,976	1,160,073	3,440,049
	$ 3,114,018	$ 2,019,586	$ 5,133,604

Fund Bonds Payable	Principal Outstanding	Interest Rate	Annual Maturity To
Enterprise Fund:			
Parks Projects 16	$ 2,305	4.875%	1997
Kentucky Housing Corporation*	841,742	2.65%-10.0%	2023
Kentucky Infrastructure Authority*	174,140	2.5%-7.85%	2018
Kentucky Higher Education Student Loan Corporation	323,615	5.4%-9.75%	2012
Kentucky Local Correctional Facilities Construction Authority*	41,105	5.75%-9.75%	2014
Kentucky Economic Development Finance Authority	93,557	5.4%	1999
Total Enterprise Fund	$ 1,476,464		
*Amounts do not include unamortized premiums or discounts.			
University and College Fund:			
University of Kentucky	$ 314,189	2.5%-8.45%	2023
University of Louisville	167,223	3.0%-7.7%	2016
Eastern Kentucky University	79,585	2.9%-6.6%	2011
Western Kentucky University	62,876	2.75%-7.4%	2012
Murray State University	34,925	2.75%-8.0%	2012
Morehead State University	35,480	2.4%-7.3%	2012
Kentucky State University	24,331	3.0%-9.0%	2011
Northern Kentucky University	62,540	3.0%-8.3%	2021
Total University and College Fund	$ 781,149		
Total Fund Bonds Payable	$ 2,257,613		

Future revenue bond debt service requirements for bonds in the Enterprise and University and College Funds, at June 30, 1993, are as follows (Expressed in Thousands):

Year Ending June 30,	Principal	Interest	Total
1994	$ 115,880	$ 141,642	$ 257,522
1995	102,239	133,978	236,217
1996	91,900	128,305	220,205
1997	85,776	123,402	209,178
1998	86,733	118,548	205,281
Thereafter	1,775,085	1,085,413	2,860,498
	$ 2,257,613	$ 1,731,288	$ 3,988,901

During the fiscal year ended June 30, 1993, the debt issuing entities described below sold revenue bonds as follows:

Kentucky State Property and Buildings Commission
The State Property and Buildings Commission is composed of the Governor, Lieutenant Governor, Attorney General, Secretary of the Finance and Administration Cabinet, Secretary of the Revenue Cabinet, and Secretary of the Economic Development (formerly Commerce) Cabinet. The Commission is an independent agency of the Commonwealth created by KRS 56.450 and empowered upon application of any State agency to issue bonds in its own name to pay the costs of acquiring land and equipment, and the construction and equipping of buildings for the occupancy and/or use of said agencies.

During the fiscal year ended June 30, 1993, the Commission issued $156,825,000 in revenue and revenue refunding bonds (Project 54) at the request of the Finance and Administration Cabinet. Serial bonds in the principal amount of $147,335,000 bear stated interest rates ranging from 2.4% to 5.9% and mature annually on September 1, 1992, through September 1, 2007. Term bonds in the principal amount of $9,490,000 bear interest at 6.0% per annum and are due September 1, 2012.

Turnpike Authority of Kentucky

The Turnpike Authority of Kentucky was created in the 1960 regular session of the General Assembly under present KRS sections 175.410 through 175.990 as a body corporate and politic constituting a municipal corporation, political subdivision, and instrumentality of the Commonwealth. The Authority is composed of the Governor, Lieutenant Governor, Attorney General, Secretary of Transportation, Commissioner of Highways, State Highway Engineer, and Secretary of Economic Development. The Secretary of the Finance and Administration Cabinet currently serves as the Authority's Treasurer.

During the fiscal year ended June 30, 1993, the Authority issued $915,403,658 in revenue and revenue refunding bonds as follows:

$821,033,658 in Economic Development Road Revenue Refunding Bonds (Revitalization Projects) including:

$250,493,658, Series 1992, with current interest serial bonds in the principal amount of $201,070,000 bearing stated interest rates ranging from 3.7% to 5.8% and maturing annually on January 1, 1994, through January 1, 2004. Capital appreciation serial bonds in the principal amount of $49,423,658 bear stated interest rates ranging from 5.9% to 6.6% and mature annually on January 1, 2002, through January 1, 2010.

$570,540,000, Series 1993, with current interest serial bonds in the principal amount of $450,770,000 bearing stated interest rates ranging from 3.5% to 5.5% and maturing annually on July 1, 1995, through July 1, 2002, and current interest term bonds in the principal amount of $74,770,000 bearing 5.5% per annum interest to maturity on July 1, 2011. The remaining principal amount of $45,000,000 includes $15,000,000 in Cap RITES Bonds maturing in 2013, but subject to earlier mandatory conversion, and bearing a constant interest rate to the issuer of 5.75%; $15,000,000 in Floating Auction Tax-Exempts ("FLOATS") due June 6, 2012, and bearing fixed interest equal to a semiannual bond equivalent yield of 5.7%; and $15,000,000 in Residual Interest Tax-Exempt Securities ("RITES") due June 6, 2012, and bearing fixed interest equal to a semiannual bond equivalent yield of 5.7%. The terms "Cap RITES," "FLOATS," and "RITES," are service marks of Merrill Lynch and Company, Incorporated, and are described in Appendices E and F to the Official Statement. Owners of these bonds/securities earn interest that "floats" with current financial market activity, but allows the Authority to service the debt at a constant interest rate.

$94,370,000 in Taxable Toll Road Revenue Refunding Bonds, Series 1993, bearing stated interest rates ranging from 3.5% to 5.25% and maturing serially and semiannually from July 1, 1993 through July 1, 1996.

State Universities

The Board of Trustees of the University of Kentucky and the Boards of Regents of the University of Louisville, Eastern Kentucky University, Western Kentucky University, Murray State University, Morehead State University, Kentucky State University, and Northern Kentucky University are authorized under KRS 56.495 to issue debt for the purpose of constructing educational buildings and housing and dining facilities.

During the fiscal year ended June 30, 1993, the State universities issued $184,401,000 in revenue bonds as follows: Kentucky State University issued $11,040,000, including $3,350,000 in Housing and Dining System Refunding Revenue Bonds, Series F bearing stated interest rates ranging from 5.0% to 5.6% and maturing serially and annually on May 1, 1993, through May 1, 2005; and , $7,690,000 in Consolidated Educational Buildings Refunding Revenue Bonds, Series H bearing stated interest rates ranging from 5.0% to 5.5% and maturing serially and annually on May 1, 1993, through May 1, 2005. Morehead State University issued $3,775,000 in Consolidated Educational Buildings Refunding Bonds, Series J bearing stated interest rates ranging from 3.5% to 4.2% and maturing serially and annually on May 1, 1994, through May 1, 2001. Murray State University issued $11,660,000 in Consolidated Educational Buildings Refunding Revenue Bond Series G (Second Series) bearing stated interest rates ranging from 3.1% to 5.6% and maturing serially and annually on May 1, 1994, through May 1, 2007. Northern Kentucky University issued $8,390,000 in Consolidated Educational Buildings Refunding Revenue Bonds, Series H bearing stated interest rates ranging from 2.5% to 5.5% and maturing serially and annually on May 1, 1993, through May 1, 2007. The University of Kentucky issued $67,661,000 as follows: $13,915,000 in Consolidated Educational Buildings Refunding Revenue Bonds including $6,340,000, Series F (Second Series) bearing stated interest rates ranging from 4.125% to 4.5% and maturing serially and annually on May 1, 1994, through May 1, 2002, and $7,575,000, Series K (Second Series) bearing stated interest rates ranging from 4.6% to 5.25% and maturing serially and annually on May 1, 1994, through May 1, 2010; $2,866,000 in Housing and Dining System Revenue Bonds, Series M, maturing serially and annually on June 1, 1994 through June 1, 2023 at 5.5% per annum: $29,600,000 in Community Colleges Educational Buildings Refunding Revenue Bonds, Series J bearing stated interest rates ranging from 5.0% to 5.1% and maturing serially and annually on May 1, 1994, through May 1, 2010; and, $21,280,000 in Hospital Refunding Revenue Bonds Series A (Second Series) bearing stated interest rates ranging from 2.5% to 5.5% and maturing serially and annually on August 1, 1993, through August 1, 2006. And, the University of Louisville issued $81,875,000, including $35,685,000 in Consolidated Educational Buildings Revenue Bonds, Series H bearing stated interest rates ranging from 5.2% to 5.875% and maturing serially and annually on May 1, 1993, through May 1, 2012; and, $46,190,000 in Consolidated Educational Buildings Refunding Revenue Bonds, Series I bearing stated interest rates ranging from 5.1% to 5.4% and maturing serially and annually on May 1, 1994, through May 1, 2013.

Kentucky Housing Corporation

The Housing Corporation, established in 1972 under KRS Chapter 198A, is a municipal corporation and political subdivision of the Commonwealth governed by a board of directors comprised of the Secretary of the Finance and Administration Cabinet, Commissioner of the Department of Local Government, Secretary of the Revenue Cabinet, Attorney General, Secretary of the Economic Development Cabinet, Lieutenant Governor, and eight additional members appointed by the Governor. The Corporation is authorized to increase the supply of housing for persons of lower income by making or participating in insured construction loans, and making or participating in insured mortgage loans when financing is not available from private lenders under reasonably equivalent terms and conditions. The Corporation is limited to a $1.125 billion total maximum principal value of debt outstanding.

During the fiscal year ended June 30, 1993, the Corporation remarketed its previously sold $73,980,000 in housing revenue bonds consisting of $13,495,000 (1991 Series C) and $60,485,000 (1991 Series D) dated December 5, 1991, and subject to mandatory tender (with no right to retain) on or before December 3, 1992. This remarketing, with interest accruing from December 3, 1992, provides short and long-term repricing of the above-styled bonds as follows:

The principal amount of $49,315,000 includes $8,995,000, 1991 Series C-2, and $40,320,000, 1991 Series D-2 which bear per annum interest of 3.0% and 3.1%, respectively, and are subject to mandatory tender on or before December 2, 1993.

The principal amount of $24,665,000 includes $4,500,000, 1991 Series C-1, in term bonds with $2,505,000 due January 1, 2013, at 6.6% and $1,995,000 due January 1, 2017 at 6.65%; and, $20,165,000, 1991 Series D-1, having $2,825,000 due serially and annually on January 1, 1995, through January 1, 2002, at stated interest rates ranging from 4.35% to 5.9% and, $17,340,000 in term bonds with $2,640,000 due January 1, 2007 at 6.5%, $3,725,000 due January 1, 2015, at 6.7% and $10,975,000 due January 1, 2024, at 6.8%.

The $8,995,000 1991 Series C-2 bonds and $4,500,000, 1991 Series C-1 bonds together provide short and long-term repricing for the previously sold $13,495,000 1991 Series C Bonds. The $40,320,000 1991 Series D-2 bonds and $20,165,000 1991 Series D-1 bonds together provide short and long-term repricing for the previously sold $60,485,000 1991 Series D bonds.

The Corporation also issued $10,625,000 in Multi-Family Mortgage Revenue Bonds, 1993 Series A, having $2,940,000 in serial semi-annual maturities each January and July 1, 1994 through 2003 at stated interest rates from 2.65% through 4.9%. Term bonds are due in the amounts of $3,045,000 at 5.6% on July 1, 2013, and $4,640,000 at 5.65% on July 1, 2022. The proceeds of this issue refunded a like amount of principal outstanding on the Corporation's Multi-Family Mortgage Revenue Bonds, 1985 Series A.

Kentucky Infrastructure Authority

The Authority was created by House Bill 217, passed into law during the 1988 regular session of the Kentucky General Assembly, to assist governmental agencies in the State with respect to the construction and acquisition of infrastructure projects as defined in the legislation. Pursuant to this Act, which amends KRS Chapter 224A, all powers, duties, and obligations of the Kentucky Pollution Abatement and Water Resources Finance Authority, including administration of debt service on revenue bonds previously issued by the Authority, are transferred to the Kentucky Infrastructure Authority, which is established as a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the State.

During the fiscal year ended June 30, 1993, the Authority issued $37,465,000 in Revenue and Revenue Refunding Bonds as follows: $400,000 in Solid Waste Revolving Fund Program Revenue Bonds, 1993 Series B, with $260,000 maturing serially and annually on June 1, 1994, through June 1, 2008, at stated interest rates ranging from 2.5% to 5.4%, and $140,000 in term bonds due June 1, 2013, at 5.6%; $10,975,000 in Wastewater Revolving Fund Program Revenue bonds, 1993 Series B, with $7,150,000 maturing serially and annually on June 1, 1994, through June 1, 2008, at stated interest rates ranging from 2.5% to 5.4%, and $3,825,000 in term bonds due June 1, 2013, at 5.6%; $5,840,000 in Infrastructure Revolving Fund Program Revenue bonds, 1993 Series I, with $3,795,000 maturing serially and annually on June 1, 1994, through June 1, 2008, at stated interest rates ranging from 2.6 to 5.5%, and $2,045,000 in term bonds due June 1, 2013, at 5.7%; and $20,250,000 in Governmental Agencies Program Revenue and Revenue Refunding bonds, 1993 Series E, with $11,375,000 maturing serially and annually on August 1, 1993, through August 1, 2008, at stated interest rates ranging from 2.5% to 5.625%, and $8,875,000 in term bonds with $5,600,000 due August 1, 2013, at 5.75% and $3,275,000 due August 1, 2018, at 5.75%.

Kentucky Higher Education Student Loan Corporation

The Corporation is empowered by KRS Chapter 164A to make and reinsure student loans with the United States of America, pursuant to the Federal Higher Education Act of 1965, and as a body corporate and politic acts as a financing authority to assure a secondary market for insured student loans. The Corporation is governed by a seven member board of directors consisting of the Chairman of the Council on Higher Education, the Secretary of the Finance and Administration Cabinet, the Chairman of the Kentucky Higher Education Assistance Authority, and four members chosen from the general public. The Corporation is limited to a maximum principal debt outstanding of $553 million.

The Corporation issued no bonds during the year ended June 30, 1993.

Kentucky Local Correctional Facilities Construction Authority
The Authority is a body corporate and politic as well as an agency and instrumentality of the Commonwealth created in 1982 pursuant to KRS 441.605 through 441.695, as amended, to provide additional and alternative methods for acquiring, constructing, improving or repairing, and financing both regional and local jail facilities.

The Authority issued no revenue bonds during the fiscal year ended June 30, 1993.

Kentucky School Facilities Construction Commission
By act of the 1985 Extraordinary Session of the General Assembly, the Kentucky School Facilities Construction Commission (KSFCC) was created as the successor agency to the Kentucky School Building Authority (KSBA) and empowered pursuant to KRS 157.640 with all rights of successorship necessary to assure all legal and contractual functions and liabilities associated with the outstanding bonds issued in the name of KSBA, including refunding of then existing KSBA debt.

The Commission is an independent corporate agency and instrumentality of the Commonwealth established by Act of the 1985 Extraordinary Session of the General Assembly, now codified as KRS 157.611 through 157.640 and empowered therein to: (1) act on behalf of school districts to issue bonds in the name of the Commission and to enter into lease agreements with local boards of education to finance construction of new facilities or major renovation of existing facilities; (2) enter into agreements which may provide for a percentage discount, on a biennially renewable basis, of annual lease agreements due the Commission for those districts which participate; and (3) enter into lease agreements with the Department of Education to build State-owned facilities operated by the Department of Education.

During the fiscal year ended June 30, 1993, KSFCC sold fifty-two (52) school building revenue and revenue refunding bond issues having an aggregate State participation of $61,953,410. These bonds, which fund construction and renovation projects in county and independent school districts throughout the Commonwealth, mature variously to 2013 at interest rates ranging from 2.4% to 6.6%.

Due to the length of the listing, the reader is referred to the detail Schedule of Bonds Outstanding at June 30, 1993, which is contained in the publication titled SUPPLEMENTARY INFORMATION to the Kentucky Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 1993. Copies of this report are available from the Division of Accounts, Financial Reporting Branch, 483 Capitol Annex, Frankfort, Kentucky 40601.

Kentucky Agricultural Finance Authority
The Kentucky Agricultural Finance Authority is a public corporation and governmental agency of the Commonwealth established by Act of the 1984 General Assembly for the purpose of "improving and promoting the health, welfare, and prosperity of the people of the Commonwealth through the stimulation of existing agricultural ventures." The Authority's bond program is designed to help lender banks and other financial institutions assist eligible farmers in obtaining low interest loans through the issuance of tax-exempt agricultural revenue bonds. The Authority's debt does not constitute a legal or moral obligation of the Commonwealth, and this debt is not included in these general purpose financial statements.

The Authority issued no bonds during the year ended June 30, 1993.

Kentucky Economic Development Finance Authority
The Kentucky Economic Development Finance Authority (KEDFA) established in 1958 under KRS Chapter 154, is an independent agency of State Government which operates in close cooperation with the Secretary of the Economic Development Cabinet to promote the industrial development of Kentucky.

The Authority issued no revenue bonds that constitute a legal obligation of the Commonwealth during the fiscal year ended June 30, 1993.

During this same reporting period, KEDFA did issue $95,480,000 in Industrial Revenue Bonds which do not constitute a general debt, liability, or moral obligation of the Commonwealth. Accordingly, these general purpose financial statements do not include any assets or liabilities related to the issuance of these bonds.

NOTES PAYABLE:

At June 30, 1993, the following entities had notes payable as follows:

Kentucky Infrastructure Authority
On June 29, 1992, the Authority borrowed $18,000,000 from the Kentucky Association of Counties. Interest at 4.08% per annum is payable monthly through June 20, 1994, when the principal is due and payable.

Kentucky Lottery Corporation
On May 27, 1993, the Corporation borrowed $9,500,000 to refinance the remaining balances of two loans incurred in April 1991 and October 1989, respectively. Terms require $500,000 quarterly principal payments at 3.51% annual interest. On June 28, 1993, the Corporation borrowed an additional $10,000,000, with similar quarterly principal payments at the same annual rate. On August 27, 1993, the outstanding balance of the second loan was repaid.

Kentucky Educational Television
KET has a $340,575 note payable, scheduled for $23,900 annual principal payments through 1998 and the balance of $221,075 due thereafter. The note bears interest at the bank's prime rate and is secured by a building.

Universities

Morehead State University reports a $73,462 balance on its note payable to a company, repayable in monthly installments of $7,005, plus interest at prime (currently 6.0%), to June, 1994.

During 1991, Murray State University borrowed $557,000 from a commercial bank to finance the purchase of equipment which collateralizes the note. The note bears effective interest of 5.9% and requires annual principal and interest payments through July, 1994. Principal payments amount to $186,642 and $197,600 for the years ended June 30, 1994, and 1995, respectively.

The College Heights Foundation, Inc. reported a $409,821 note payable to Ogden College Foundation, due in monthly installments of $11,853, including interest at 8.625%, and secured by real estate under capital lease to Western Kentucky University.

The University of Kentucky Health Care Collection Service, Incorporated, reported a $48,000 long-term, interest-free note payable to the University of Kentucky Hospital. Principal payments are due quarterly in the amount of $6,000, with final maturity in June, 1995.

Northern Kentucky University reported $871,883 in notes payable for the purchase of copying and data processing equipment. Payments, including interest, for the five succeeding fiscal years, total $977,041.

Future debt service requirements for aggregate Notes Payable at June 30, 1993, are as follows (amounts expressed in thousands):

Year Ending June 30,	Principal	Interest	Total
1994	$ 32,697	$ 1,188	$ 33,885
1995	3,648	221	3,869
1996	2,405	99	2,504
1997	634	27	661
1998	24	15	39
Thereafter	221	13	234
	$ 39,629	$ 1,563	$ 41,192

Changes in General Long-Term Obligations

Changes in general long-term obligations (Expressed in Thousands) for the fiscal year ended June 30, 1993, are summarized as follows:

	Compensated Absences	Capital Leases	General Obligation Bonds	State Supported Revenue Bonds	Judgements & Contingent Liabilities	Unfunded Employer Pension Contributions	Total
Balance at June 30, 1992, as restated	$ 122,985	$ 2,957	$ 44,155	$ 2,775,085	$ 646,751	$ 82,459	$ 3,674,392
Obligations Incurred	89,307	578		1,134,183		7,423	1,231,491
Obligations Retired	(88,707)	(1,784)	(14,135)	(795,250)			(899,876)
Other Changes					(517,215)		(517,215)
Balance at June 30, 1993	$ 123,585	$ 1,751	$ 30,020	$ 3,114,018	$ 129,536	$ 89,882	$ 3,488,792

Note 15

SEGMENT INFORMATION

Segment financial information for the Commonwealth's Enterprise Funds for the year ended June 30, 1993, is presented below (Expressed in Thousands):

	State Parks	State Fair Board	Industries for the Blind	Horse Park	Insurance Administration	Kentucky Lottery Corporation
Goods and Services Provided	Recreation and Lodging	Facility Rentals	Light Industry	Equine Museum	Insurance	Lottery Operations
Operating Revenues	$ 38,543	$ 20,593	$ 1,334	$ 3,842	$ 315,525	$ 487,217
Depreciation and Amortization Expense	4,297	4,073	41	354	225	6,705
Operating Income (Loss)	(26,858)	(3,085)	(689)	(1,631)	(25,039)	99,075
Operating Grants, Entitlements, and Shared Revenues		946				
Operating Transfers:						
In	23,594	230	492	1,169	948	
Out	(2,211)	(396)		(4)	(5,906)	(100,000)
Income (Loss) Before Operating Transfers and Extraordinary Item	(27,557)	(3,090)	(689)	(1,631)	(25,058)	99,075
Extraordinary Gain (Loss) on Defeasance						
Net Income (Loss)	(6,174)	(3,256)	(197)	(466)	(30,016)	(925)
Current Contributed Capital:						
Contributions	6,105	19,519		348		
Fixed Assets:						
Additions	7,030	14,852		404	329	4,136
Deletions	748	16		73	43	58
Net Working Capital	11,126	8,952	332	808	(51,013)	12,672
Total Assets	105,274	122,028	947	16,974	488,932	215,796
Bonds and Other Long-Term Liabilities:						
Payable from Operating Revenue and Operating Transfers-in	2,707	213	24	47	864,153	172,597
Total Equity	93,438	119,052	850	16,403	(549,289)	2,796

Kentucky Center for the Arts	Kentucky Agricultural Finance Corporation	Kentucky Local Correctional Facilities Construction Authority	Kentucky Housing Corporation	Kentucky Infrastructure Authority	Kentucky Higher Education Student Loan Corporation	Kentucky Educational Savings Plan Trust	Kentucky Economic Development Finance Authority	Total
Cultural Events	Debt Issuance	Debt Issuance	Debt Issuance	Debt Issuance	Debt Issuance	Debt Issuance	Debt Issuance	
$ 2,270	$	$ 5,110	$ 82,144	$ 41,277	$ 31,964	$	$ 7,466	$ 1,037,285
1,092		112	1,251	248	792		278	19,468
(4,104)	(2)	(2,027)	6,591	22,823	3,125	(271)	2,418	70,326
		3,941	1,485	4,591				10,963
				5,550		271		32,254
								(108,517)
(783)	10	(2,027)	6,591	22,823	3,125	(271)	2,418	72,936
			(2,856)	(1,929)				(4,785)
(783)	10	(2,027)	3,735	26,444	3,125		2,418	(8,112)
								25,972
113			12,938				5	39,807
20			793				65	1,816
560	495	2,737	343,334	79,770	8,519		5,410	423,702
28,013	500	19,364	1,059,328	257,152	359,736	2,132	191,316	2,867,492
83		39,237	706,049	125,274	294,195		30,741	2,235,320
26,910	495	(24,264)	160,046	64,188	30,926		96,896	38,447

Note 16

COMMITMENTS AND CONTINGENCIES

Litigation - The Commonwealth, its units and employees are parties to numerous legal proceedings, many of which normally occur in governmental operations. The legal proceedings are not, in the opinion of the Attorney General, likely to have a material adverse impact on the Commonwealth's financial position.

In addition, the Commonwealth and its units are involved in certain other legal proceedings which, if decided adversely to the Commonwealth, may require the Commonwealth to make material future expenditures for expanded services or capital facilities or may impair future revenue sources or may require the refund of prior collections. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on the future expenditures or revenue sources of the Commonwealth.

The Revenue Cabinet is involved in litigation relating to sales and use tax. Any amounts to be refunded were not estimable at the audit report date. However, the Revenue Cabinet has indicated that probable refunds could be significant.

Federal Grants - The Commonwealth receives significant financial assistance from the U.S. Government in the form of grants and Federal revenue sharing entitlements. Entitlement to these resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the Commonwealth.

Leases - The Commonwealth has entered into various operating leases for land and buildings. All leases contain termination clauses providing for the cancellation after 30, 60, or 90 days written notice to the lessors. In addition, all leases contain appropriation clauses indicating that continuation of the lease is subject to funding by the legislature. It is expected that in the normal course of business most of these leases will be replaced by similar leases. Expenditures for rent under leases for the years ended June 30, 1993 and 1992, amounted to $33.6 million and $31.7 million, respectively. The operating leases of the Commonwealth do not contain escalation clauses for rental or expense which would require adjustment to be in compliance with GASB Statement 13."

Sick Leave - It is the policy of the Commonwealth to record the cost of sick leave when paid. Generally, since sick leave (earned one day per month with unlimited accumulation) is paid only when an employee is absent due to illness, injury, or related family death, there was no liability for sick leave at June 30, 1993. The estimated accumulated amount of unused sick leave at that date for the governmental and proprietary funds was $189,201,379 and $13,080,221, respectively.

Construction Projects - The Transportation Cabinet, at June 30, 1993, has contractual commitments of approximately $564,602,000, for the construction of numerous highway projects. It is anticipated that these projects will be funded with approximately 35% State funds, 49% Federal funds, and the remaining 16% with proceeds from the sale of revenue bonds.

Note 17

SUBSEQUENT EVENTS

The debt issuing entities of the Commonwealth issued or agreed to administer State participation in debt service payments for revenue bonds sold after June 30, 1993, and prior to December 15, 1993, as described below.

State Property and Buildings Commission

The Commission issued $414,040,000 (Project 55) in revenue and revenue refunding bonds dated September 1, 1993, with $397,550,000 due serially on March 1, 1994, and thereafter each September 1, 1994 through 2010, at 2.6% to 6.25%. $16,490,000 in term bonds are due September 1, 2013, at 5.0%. The proceeds of this issue, requested by the Finance and Administration Cabinet, will: (i) finance a portion of the project, (ii) refinance certain of the State Property and Buildings Commission outstanding bonds, and (iii) pay issuance costs of the bonds, as fully described in the Official Statement.

State Universities

The state universities issued $110, 680,000 in Consolidated Educational Buildings Refunding Revenue Bonds (CEBRRB), Housing System Refunding Revenue Bonds (HSRRB), and Housing and Dining System Refunding Revenue Bonds (HDSRRB), fully described in the respective Official Statements, as follows: Murray State University $7,955,000 CEBRRB Series F (2nd) dated September 1, 1993, due serially each May 1, 1994 through 2000, at 2.6% to 4.15%; Northern Kentucky University $10,520,000 CEBRRB Series I dated October 1, 1993, due serially each May 1, 1994 through 2007 at 2.7% to 4.7%; University of Kentucky $16,025,000 CEBRRB Series D (2nd) dated September 1, 1993, due serially each May 1, 1994 through 1999 at 2.85% to 3.875% and $27,940,000 CEBRRB Series G, H, and I (3rd) dated October 1, 1993, due serially each May 1, 1994 through 2006 at 4.125% to 4.2%; University of Louisville $30,805,000 CEBRRB Series J dated July 1, 1993, with $20,465,000 due serially each May 1, 1994 through 2008 at 4.875% to 5.0% and term maturities of $4,705,000 due May 1, 2011, at 5.1% and $5,635,000 due May 1, 2014, at 5.6% and $8,005,000 HSRRB Series C dated August 1, 1993, with $5,255,000 due serially each November 1, 1993 through 2011 at 3.875% to 5.0% and $2,750,000 in term bonds due November 1, 2014, at 5.1%; and Western Kentucky University $9,430,000 HDSRRB Series N dated July 1, 1993, due serially each December 1, 1993 through 2010 at 4.75% to 5.2%.

Kentucky Housing Corporation

The Corporation issued $400,250,000 in Multi-Family Mortgage Revenue Bonds (MFMRB) and Housing Revenue Bonds (HRB), for refunding and remarketing purposes, as follows:

$83,740,000 HRB dated June 10, 1993, issued July 22, 1993, including: $59,080,000, 1993 Series A, which will be applied toward refunding the Corporation's 1976 Series A and 1979 Series A HRBs and which has $45,250,000 due serially and annually each January 1, 1994 through 2007 at 2.7% to 5.6% and $13,830,000 in term bonds due January 1, 2019 at 5.8%; $4,500,000, 1991 Series C-3, which remarkets a portion of the Corporation's $8,995,000, 1991 Series C-2 bonds and has term maturities of $2,500,000 due January 1, 2011, at 5.7% and $2,000,000 due January 1, 2017, at 5.8%; and, $20,160,000, 1991 Series D-3, which remarkets a portion of the Corporation's $40,320,000, 1991 Series D-2 and which has $2,825,000 due serially and annually each January 1, 1995 through 2002, at 3.5% to 5.2% and term maturities of $2,640,000 due January 1, 2007, at 5.75%, $3,725,000 due January 1, 2015, at 5.9%, and $10,970,000 due January 1, 2024, at 5.95%;

$6,750,000 MFMRB 1993 Series B dated September 1, 1993, refunds certain 1985 Series A bonds which are subject to redemption from Recoveries of Principal and has $1,470,000 due serially and semi-annually each January 1 and July 1, from July 1, 1994 through 2004 at 2.75% to 4.9% and $5,280,000 in term bonds due July 1, 2022, at 5.35%;

$250,700,000 1993 Series B, dated September 15, 1993, which will be applied to refunding six series of the Corporation's outstanding bonds to achieve interest cost savings and has $136,060,000 due serially each July 1, 1994 through 2007, at 2.7% to 5.15% and term bonds of $43,910,000 due July 1, 2010, at 5.3% and $70,730,000 due July 1, 2014, at 5.4%; and,

$59,060,000 HRB, dated November 1, 1993, and subject to mandatory tender not later than April 28, 1993, for $4,495,000 1993 Series C at 2.65% per annum and $20,160,000 1993 Series D at 2.75% per annum, and not later than October 27, 1994, for $34,405,000 1993 Series E at 2.8% per annum. The 1993 Series C bonds refund the remaining portion of the Corporation's 1991 Series C-2; the 1993 Series D bonds refund the remaining portion of the Corporation's 1991 Series D-2; and the 1993 Series E bonds refund a portion of the Corporation's 1985 Series A bonds.

Kentucky Infrastructure Authority

The Authority issued $17,850,000 in Governmental Agencies Program Revenue Refunding Bonds 1993 Series F dated August 1, 1993, which refunds Governmental Agencies Program Revenue Bonds, Series 1989C and has $6,125,000 due serially and annually on February 1, 1994 through 2008 at 2.75% to 5.2% and term maturities of $4,645,000 on February 1, 2013, at 5.375% and $7,080,000 on February 1, 2018, at 5.375%.

Kentucky Higher Education Student Loan Corporation

The Corporation issued $140,400,000 in Insured Student Loan Revenue Bonds, for refunding purposes fully described in the Official Statement, including : $34,815,000 1993 Series A dated September 15, 1993, due serially and semi-annually each June 1 and December 1, from December 1, 1995 through 2000 at 3.6% to 4.7%; $90,000,000 1993 Series B dated September 15, 1993, with serial maturities of $5,570,000 due December 1, 2001, at 4.9%, $8,450,000 due June 1, 2002, at 5.0%, $9,770,000 due December 1, 2003, at 5.1%, and $9,110,000 due June 1, 2004, at 5.2% and term maturities of $20,000,000 on June 1, 2003, 5.1%, and $36,920,000 on June 1, 2005, at 5.3%; and, $[illegible], 585,000 1993 Series C, dated March 1, 1994, with serial maturities of $1,250,000 due December 1, 1995, at 3.85%, $1,720,000 due June 1, 1997, at 4.45%, $5,600,000 due June 1, 1998, at 4.65%, $2,855,000 due June 1, 2000, at 4.95%, $3,030,000 due December 1, 2000, at 4.95%, and $1,130,000 due June 1, 2002, at 5.15%.

Kentucky Public Employees Deferred Compensation System

On October 29, 1993, Constitution Life, one of the carriers for the Fixed Contract Fund of the Kentucky Public Employees Deferred Compensation System, notified the System's advisor, the Office for Financial Management and Economic Analysis, that effective September 29, 1993, they had reduced their capital and surplus from $100 million to $45 million as part of the restructuring of its parent company, ICH. The System's general investment contracts with Constitution Life have riders which provide for early termination of the contracts" . . . without a termination charge if the total of capital, surplus, and mandatory securities valuation reserves for Constitution Life falls below $100 million, or falls below three percent of statutory liabilities as reported in any quarterly financial statement filed with the Kentucky Insurance Department."

On November 15, 1993, the Board of Trustees of the Kentucky Public Employees Deferred Compensation System notified Constitution Life it was exercising its right to terminate the general investment contracts in question. On November 23, 1993, the System received $1,004,239 from Constitution Life representing the total value of investments made with the carrier.

Health Care Provider Tax

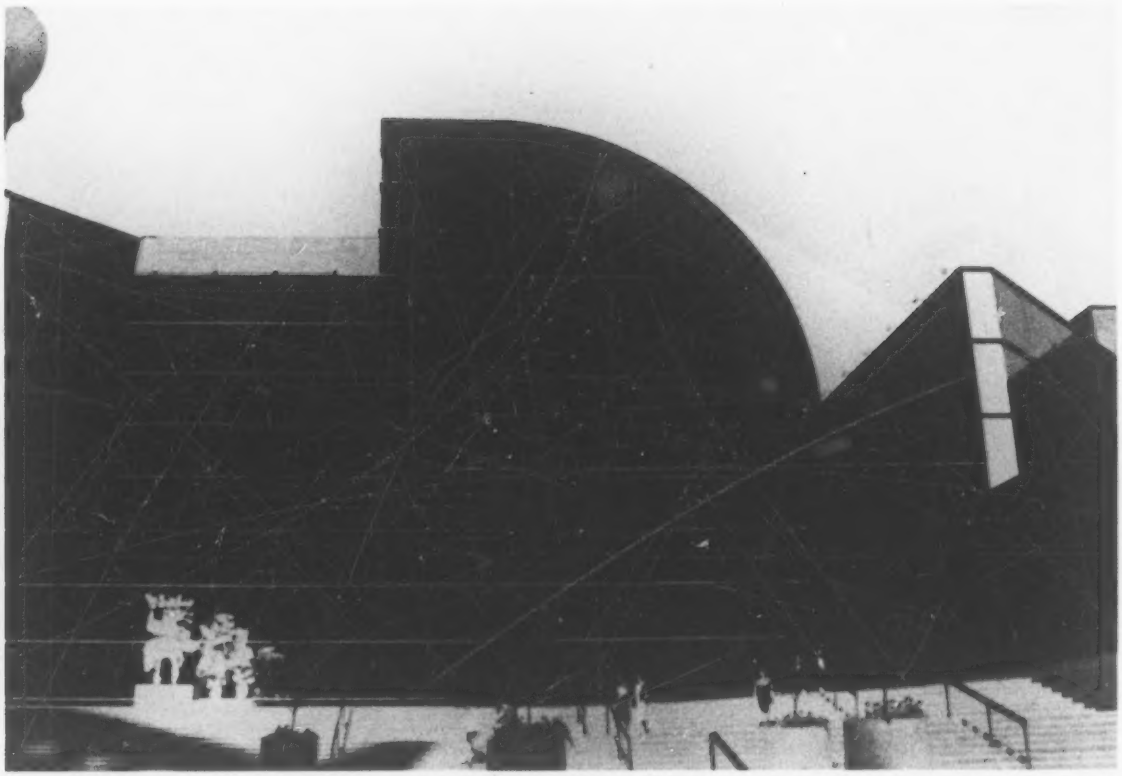
The May 1993, Extraordinary Session of the Kentucky General Assembly passed House Bill 1 which created new sections of Chapter 142 of the Kentucky Revised Statutes and enacted the health care provider tax. In November Franklin Circuit Court ruled unconstitutional a portion of the tax applying to physicians and lowered the tax on Healthcare Maintenance Organizations (HMOs). The decision did not alter the tax on hospitals, although there is a lawsuit on their behalf pending. The Court also denied the State's request to put the ruling on hold pending direct appeal to the Kentucky Supreme Court and gave the State ninety days to return the tax money it had collected. The $8.5 million will be

returned to physicians. Amended tax returns must be filed before the amount to be returned to HMOs will be estimable.

Kentucky School Facilities Construction Commission

The Commission administers State participation in the debt service payments of local public school district revenue bonds issued subsequent to June 30, 1993, and maturing as to principal through 2018 as follows:

School District	Sale Date	Principal at Issue	State Share	Interest Rate
Covington Ind.	07/01/93	$ 6,125,000	$ 325,132	5.05-5.2%
Fulton County	07/07/93	1,580,000	207,360	3.25-5.65%
McCreary County	07/08/93	5,275,000	1,565,000	4.6-4.8%
Bellevue Ind.	07/15/93	750,000	273,391	3.0-5.4%
Laurel County	07/14/93	5,105,000	1,083,093	5.2-5.375%
Pulaski County	07/22/93	490,000	442,057	4.5-5.0%
Elizabethtown Ind.	07/29/93	2,200,000	246,954	2.7-5.35%
Crittenden County	08/09/93	355,000	255,343	2.75-5.5%
Bardstown Ind.	08/10/93	315,000	124,771	2.8-5.4%
Perry County	08/12/93	2,085,000	389,938	4.24-5.0%
Johnson County	08/17/93	3,850,000	1,897,522	4.875-5.0%
Calloway County	08/19/93	675,000	665,987	4.0-5.25%
Bullitt County	08/25/93	4,450,000	1,885,000	3.625-4.1%
Grayson County	09/01/93	735,000	467,935	2.5-5.375%
Ohio County	09/02/93	1,410,000	1,410,000	4.6-5.0%
Carroll County	09/08/93	220,000	195,908	3.0-5.375%
Williamsburg Ind.	09/14/93	3,200,000	1,508,921	3.75-4.0%
Harlan Ind.	09/15/93	1,400,000	1,400,000	4.3-4.45%
Bell County	09/21/93	4,920,000	2,142,585	4.2-4.5%
Henderson County	09/28/93	3,670,000	671,847	4.65%
Whitley County	10/19/93	1,895,000	337,151	4.375-4.6%
Whitley County	10/19/93	2,375,000	507,812	3.875-4.3%
Wayne County	10/20/93	7,305,000	548,571	4.5-4.75%
Oldham County	10/25/93	9,200,000	2,416,755	4.0-4.8%
Casey County	10/26/93	4,125,000	856,593	2.7-5.0%
Floyd County	10/27/93	3,820,000	1,600,000	4.625-4.75%
Daviess County	11/03/93	7,175,000	5,891,904	3.6-4.5%
Science Hill Ind.	11/30/93	575,000	52,659	3.0-5.35%
Carter County	12/01/93	6,585,000	3,693,536	4.25-5.0%
Boone County	12/02/93	3,720,000	2,760,000	2.9-5.0%
Campbell County	12/07/93	9,995,000	454,615	4.85-5.4%
Total		$ 105,580,000	$ 36,278,340	



Kentucky Center for the Arts, built 1983. Has glass-arched grand lobby, a distinguished collection of 20th century art, and three stages. Located in Downtown Louisville.

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

The **General Fund** accounts for financial resources appropriated by the General Assembly that are not required to be accounted for in another fund.

COMMONWEALTH OF KENTUCKY
BALANCE SHEET
GENERAL FUND
JUNE 30, 1993
(Expressed in Thousands)

	For The Year Ended June 30, 1993	For The Year Ended June 30, 1992
ASSETS		
CASH AND CASH EQUIVALENTS	$ 111,908	$ 137,859
RECEIVABLES, NET	373,117	351,478
INTERFUND RECEIVABLES	21,856	12,037
INVENTORIES	12,475	9,355
TOTAL ASSETS	$ 519,356	$ 510,729
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
ACCOUNTS PAYABLE	$ 155,752	$ 130,239
TAX REFUNDS PAYABLE	277,224	222,767
INTERFUND PAYABLES	15,418	36,959
DEFERRED REVENUE	61,822	55,534
TOTAL LIABILITIES	510,216	445,499
FUND BALANCE:		
RESERVED FOR:		
STATUTORY OBLIGATIONS	65,391	49,888
INVENTORIES	12,475	9,789
UNRESERVED:		
UNDESIGNATED	(68,726)	5,553
TOTAL FUND BALANCE	9,140	65,230
TOTAL LIABILITIES AND FUND BALANCE	$ 519,356	$ 510,729

COMMONWEALTH OF KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	For The Year Ended	
	June 30, 1993	June 30, 1992
REVENUES:		
TAXES	$ 4,275,941	$ 4,131,081
LICENSES, FEES, AND PERMITS	35,437	20,091
INTERGOVERNMENTAL	4,375	4,038
CHARGES FOR SERVICES	2,494	2,045
FINES AND FORFEITS	35,411	34,665
INTEREST AND OTHER INVESTMENT INCOME	22,005	20,813
OTHER REVENUES	18	
TOTAL REVENUES	4,375,681	4,212,733
EXPENDITURES:		
GENERAL GOVERNMENT	210,359	148,451
LEGISLATIVE AND JUDICIAL	119,575	117,449
COMMERCE	17,456	22,042
EDUCATION AND HUMANITIES	2,204,889	2,136,128
HUMAN RESOURCES	840,295	770,770
JUSTICE	198,041	231,241
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	43,954	47,287
PUBLIC PROTECTION AND REGULATION	31,187	33,827
TRANSPORTATION	3,719	3,143
TOTAL EXPENDITURES	3,669,475	3,510,338
EXCESS OF REVENUES OVER EXPENDITURES	706,206	702,395
OTHER FINANCING SOURCES (USES):		
OPERATING TRANSFERS IN	120,168	129,845
OPERATING TRANSFERS OUT	(886,272)	(971,174)
CAPITALIZED LEASES	497	172
OTHER SOURCES (USES)	191	
TOTAL OTHER FINANCING SOURCES (USES)	(765,416)	(841,157)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(59,210)	(138,762)
FUND BALANCE AT JULY 1, AS RESTATED	65,230	205,770
INCREASE (DECREASE) IN INVENTORIES	3,120	(1,778)
FUND BALANCE AT JUNE 30	$ 9,140	$ 65,230

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Budget	Actual	Variance - favorable (unfavorable)
REVENUES:			
BUDGETED:			
TAXES	$ 4,337,194	$ 4,322,036	$ (15,158)
LICENSES, FEES, AND PERMITS	23,443	23,036	(407)
INTERGOVERNMENTAL	4,036	4,376	340
CHARGES FOR SERVICES	1,743	2,185	442
FINES AND FORFEITS	36,087	35,401	(686)
INTEREST AND OTHER INVESTMENT INCOME	17,110	18,565	1,455
LOTTERY PROCEEDS	100,000	100,000	
OTHER REVENUES	3,899	3,277	(622)
TRANSFERS IN	16,000	15,873	(127)
TOTAL BUDGETED REVENUES	4,539,512	4,524,749	(14,763)
NON-BUDGETED:			
OTHER REVENUES		2,847	2,847
TRANSFERS IN (INTERFUND)		4,485	4,485
TOTAL NON-BUDGETED REVENUES		7,332	7,332
TOTAL REVENUES	4,539,512	4,532,081	(7,431)
EXPENDITURES:			
GENERAL GOVERNMENT			
GOVERNOR'S OFFICE	3,913	3,855	58
GOVERNOR'S OFFICE FOR POLICY AND MANAGEMENT	1,829	1,717	112
COUNTY FEES - JURY FUND	4,110	3,448	662
COUNTY COSTS - WITNESSES	162	144	18
COUNTY COSTS - SPECIAL BAILIFFS	5		5
COUNTY COSTS - SHERIFFS' FEES	2,231	1,817	414
COUNTY COSTS - COUNTY CLERK TAX BILL	300	268	32
COUNTY COSTS - BOARD OF ASSESSMENT/APPEALS	120	82	38
COUNTY COSTS - FUGITIVES FROM JUSTICE	650	582	68
COUNTY COSTS - SHERIFF EXPENSE ALLOWANCE	480	463	17
COUNTY COSTS - PREMIUM ON SHERIFFS' BONDS	615	548	67
COUNTY COSTS - BASE COURT REVENUE	5,431	5,431	
UNIFIED PROSECUTORIAL SYSTEM - COMMONWEALTH ATTORNEYS	11,445	11,445	
UNIFIED PROSECUTORIAL SYSTEM - COUNTY ATTORNEYS	12,019	12,019	
SUPERINTENDENT OF PUBLIC INSTRUCTION	6	4	2
DEPARTMENT OF AGRICULTURE	11,541	11,310	231
OFFICE OF THE ATTORNEY GENERAL	7,518	7,518	
AUDITOR OF PUBLIC ACCOUNTS	3,409	3,408	1
REGISTRY OF ELECTION FINANCE	1,169	923	246
LIEUTENANT GOVERNOR'S OFFICE	532	531	1
MILITARY AFFAIRS - GENERAL OPERATIONS	9,426	8,694	732
MILITARY AFFAIRS - VETERANS NURSING HOME	6,055	6,021	34
KENTUCKY RETIREMENT SYSTEMS	923	923	
LOCAL GOVERNMENT - VARIOUS AREA DEVELOPMENT DISTRICTS	5,793	5,484	309
LOCAL GOVERNMENT - ECONOMIC ASSISTANCE FUND	38,962	31,447	7,515
LOCAL GOVERNMENT - ECONOMIC DEVELOPMENT FUND	4,178	4,105	73
LOCAL GOVERNMENT - AREA DEVELOPMENT FUND	4,627	4,627	
SECRETARY OF STATE - GENERAL OPERATIONS	1,591	1,589	2
DEPARTMENT OF THE TREASURY	1,342	1,281	61
BOARD OF ELECTIONS	3,410	3,410	
PERSONNEL BOARD	419	409	10
SCHOOL FACILITIES CONSTRUCTION COMMISSION	57,077	45,625	11,452
EXECUTIVE BRANCH ETHICS COMMISSION	78	56	22
COMMISSION ON HUMAN RIGHTS	1,532	1,440	92
COMMISSION ON WOMEN	164	164	
COUNCIL ON HIGHER EDUCATION	7,314	7,103	211
BUDGET RESERVE TRUST FUND	28,500		28,500
DEPARTMENT OF PERSONNEL	4,143	4,001	142

	Budget	Actual	Variance - favorable (unfavorable)
DEPARTMENT OF PERSONNEL - SALARY ENHANCEMENT FUND	129	129	
EASTERN KENTUCKY UNIVERSITY	51,348	51,336	12
KENTUCKY STATE UNIVERSITY	17,716	17,536	180
MOREHEAD STATE UNIVERSITY	30,711	30,677	34
MURRAY STATE UNIVERSITY	36,710	36,700	10
NORTHERN KENTUCKY UNIVERSITY	28,129	28,050	79
UNIVERSITY OF KENTUCKY	234,176	234,137	39
UNIVERSITY OF KENTUCKY COMMUNITY COLLEGE SYSTEM	69,709	69,650	59
UNIVERSITY OF LOUISVILLE	130,156	130,156	
WESTERN KENTUCKY UNIVERSITY	48,679	48,670	9
REVENUE CABINET - GENERAL ADMINISTRATION	16,160	16,044	116
REVENUE CABINET - DEPARTMENT OF TAX COMPLIANCE	17,918	17,918	
REVENUE CABINET - DEPARTMENT OF PROPERTY TAXATION	5,293	5,293	
REVENUE CABINET - OFFICE OF PROPERTY VALUATION ADMINISTRATORS	15,838	15,838	
FINANCE AND ADMINISTRATION - OFFICE OF THE SECRETARY	9,137	8,987	150
CAPITAL PLAZA AUTHORITY	58	50	8
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY	20,210	20,116	94
FLOOD CONTROL ADVISORY COMMISSION	144	131	13
DEPARTMENT FOR ADMINISTRATION	4,933	4,923	10
DEPARTMENT FOR FACILITIES MANAGEMENT	13,811	13,359	452
SPECIAL ACCOUNTS - CAPITAL CONSTRUCTION	600	600	
GENERAL OBLIGATION GENERAL PURPOSE BONDS	2,054	2,051	3
APPROPRIATIONS NOT OTHERWISE CLASSIFIED:			
BOARD OF CLAIMS AWARDS	300	142	158
GUARDIAN AD LITEM	1,300	1,144	156
JUDGEMENTS	3,146	2,364	782
PRIOR YEAR CLAIMS	574	573	1
UNREDEEMED CHECKS REFUNDED	380	379	1
INVOLUNTARY COMMITMENTS	20	10	10
MENTAL HEALTH EXPERT WITNESS	10	9	1
FRANKFORT PLANNING COMMISSION	1		1
FRANKFORT CEMETERY	3	3	
PUBLIC IMPROVEMENTS	5		5
POLICE AND FIREMEN LIFE INSURANCE	325	325	
MASTER COMMISSIONER EMPLOYERS RETIREMENT	120	115	5
MASTER COMMISSIONER SOCIAL SECURITY	128	128	
MONEY REFUNDED	2		2
WORKERS' COMPENSATION	265	265	
TOTAL GENERAL GOVERNMENT	1,003,217	949,700	53,517
LEGISLATIVE AND JUDICIAL			
GENERAL ASSEMBLY:			
REGULAR SESSIONS	10,987	5,894	5,093
BOARD OF ETHICS	103	12	91
LONG TERM POLICY RESEARCH CENTER	1,200	1,200	
LEGISLATIVE RESEARCH COMMISSION:			
ADMINISTRATIVE	18,341	15,066	3,275
EDUCATIONAL PLANNING COMMISSION	200		200
JUDICIAL RETIREMENT SYSTEM	2,112	2,098	14
COURT OF JUSTICE - OPERATION AND ADMINISTRATION	84,268	84,263	5
COURT OF JUSTICE - LOCAL FACILITY SUPPORT	12,530	12,529	1
TOTAL LEGISLATIVE AND JUDICIAL	129,741	121,062	8,679

Continued

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Budget	Actual	Variance - favorable (unfavorable)
COMMERCE			
ECONOMIC DEVELOPMENT - OFFICE OF THE SECRETARY	2,016	1,571	445
ECONOMIC DEVELOPMENT - ADMINISTRATION AND SUPPORT	1,588	1,571	17
ECONOMIC DEVELOPMENT - JOB DEVELOPMENT	1,817	1,755	62
ECONOMIC DEVELOPMENT - FINANCIAL INCENTIVES	48,625	38,794	9,831
ECONOMIC DEVELOPMENT - COMMUNITY DEVELOPMENT	2,498	2,458	40
TOURISM - OFFICE OF THE SECRETARY	1,091	1,048	43
BREAKS INTERSTATE PARK	171	170	1
DEPARTMENT OF TRAVEL DEVELOPMENT	5,870	5,694	176
KENTUCKY STATE FAIR BOARD	6,487	6,059	428
KENTUCKY HORSE PARK	2,093	1,574	519
DEPARTMENT OF PARKS	23,090	21,793	1,297
TOTAL COMMERCE	95,346	82,487	12,859
EDUCATION AND HUMANITIES			
OFFICE OF THE SECRETARY	4,429	4,423	6
COMMISSION ON DEAF AND HEARING IMPAIRED	252	252	
KENTUCKY ORAL HISTORY COMMISSION	67	66	1
KENTUCKY HERITAGE COUNCIL	716	703	13
EDUCATION - SUPPORT EDUCATION EXCELLENCE IN KY (SEEK)	1,770,195	1,770,195	
EDUCATION - EXECUTIVE POLICY AND MANAGEMENT	10,614	10,597	17
EDUCATION - MANAGEMENT SUPPORT SERVICES	158,932	158,744	188
EDUCATION - LEARNING RESULTS SERVICES	18,504	18,179	325
EDUCATION - LEARNING SUPPORT SERVICES	101,671	101,256	415
KENTUCKY EDUCATION TELEVISION	14,276	13,929	347
KENTUCKY HISTORICAL SOCIETY	1,764	1,763	1
KENTUCKY CENTER FOR THE ARTS	3,375	3,375	
LIBRARIES AND ARCHIVES - DIRECT LOCAL AID	4,635	4,635	
LIBRARIES AND ARCHIVES - GENERAL OPERATIONS	7,025	6,399	626
TEACHERS' RETIREMENT SYSTEM	52,920	52,920	
WORKFORCE DEVELOPMENT - OFFICE OF THE SECRETARY - GENERAL ADMINISTRATION AND PROGRAM SUPPORT	607	605	2
WORKFORCE DEVELOPMENT - OFFICE OF THE SECRETARY - TEACHER RETIREMENT EMPLOYER CONTRIBUTION MATCH	7,469	7,468	1
WORKFORCE DEVELOPMENT - DEPARTMENT FOR THE BLIND	1,372	1,360	12
WORKFORCE DEVELOPMENT - BOARD FOR ADULT AND TECHNICAL EDUCATION	35	35	
WORKFORCE DEVELOPMENT - DEPARTMENT FOR ADULT AND TECHNICAL EDUCATION	52,440	52,428	12
WORKFORCE DEVELOPMENT - OFFICE OF ADULT EDUCATION	5,055	5,041	14
WORKFORCE DEVELOPMENT - DEPARTMENT FOR ADULT AND TECHNICAL EDUCATION - ADMINISTRATIVE SERVICES	6,069	5,958	111
WORKFORCE DEVELOPMENT - VOCATIONAL REHABILITATION	6,368	6,368	
WORKFORCE DEVELOPMENT - GOVERNORS COMMISSION ON LITERACY	1,280	1,280	
TOTAL EDUCATION AND HUMANITIES	2,230,070	2,227,979	2,091
HUMAN RESOURCES			
OFFICE OF SUPPORT SERVICES	32,888	32,427	461
DEPARTMENT FOR MENTAL HEALTH AND MENTAL RETARDATION SERVICES	116,182	109,298	6,884
DEPARTMENT FOR HEALTH SERVICES	44,640	44,639	1
COMMISSION FOR HANDICAPPED CHILDREN	7,737	7,731	6
DEPARTMENT FOR SOCIAL INSURANCE - PROGRAMS	47,818	45,380	2,438
DEPARTMENT FOR SOCIAL INSURANCE - WELFARE REFORM	364		364
DEPARTMENT FOR SOCIAL INSURANCE - BENEFITS	86,828	79,584	7,244
DEPARTMENT FOR MEDICAID SERVICES - PROGRAMS	14,964	14,923	41
DEPARTMENT FOR MEDICAID SERVICES - BENEFITS	407,405	407,052	353
DEPARTMENT FOR SOCIAL SERVICES - PROGRAMS	106,335	106,305	30
TOTAL HUMAN RESOURCES	865,161	847,339	17,822

	Budget	Actual	Variance - favorable (unfavorable)
JUSTICE			
JUSTICE - ADMINISTRATION	2,077	2,076	1
DEPARTMENT OF STATE POLICE	40,802	40,769	33
DEPARTMENT OF CORRECTIONS - MANAGEMENT	22,242	20,627	1,615
DEPARTMENT OF CORRECTIONS - ADULT INSTITUTIONS	105,392	104,023	1,369
DEPARTMENT OF CORRECTIONS - LOCAL JAIL ALLOTMENT	15,354	15,190	164
DEPARTMENT OF CORRECTIONS - COMMUNITY SERVICES AND LOCAL FACILITIES	31,039	31,039	3,182
TOTAL JUSTICE	216,906	213,724	
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION			
OFFICE OF THE SECRETARY	3,242	3,235	7
DEPARTMENT OF LAW	1,351	1,349	2
ENVIRONMENTAL QUALITY COMMISSION	176	169	7
KENTUCKY NATURE PRESERVES COMMISSION	394	394	
DEPARTMENT FOR ENVIRONMENTAL PROTECTION	18,395	18,276	119
DEPARTMENT FOR NATURAL RESOURCES	7,921	7,910	11
DEPARTMENT FOR SURFACE MINING RECLAMATION AND ENFORCEMENT	11,710	11,656	54
TOTAL NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	43,189	42,989	200
PUBLIC PROTECTION AND REGULATION			
OFFICE OF THE SECRETARY	290	289	1
BOARD OF CLAIMS/CRIME VICTIMS COMPENSATION BOARD	464	439	25
BOARD OF TAX APPEALS	241	241	
KENTUCKY RACING COMMISSION	859	859	
PUBLIC SERVICE COMMISSION	6,294	6,023	271
DEPARTMENT FOR PUBLIC ADVOCACY	10,318	10,318	
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL	1,485	1,481	4
DEPARTMENT OF HOUSING, BUILDING, AND CONSTRUCTION	2,854	2,849	5
DEPARTMENT FOR MINES AND MINERALS	7,100	7,100	
LABOR - OFFICE OF THE SECRETARY	283	282	1
DEPARTMENT OF WORKPLACE STANDARDS	1,455	1,404	51
TOTAL PUBLIC PROTECTION AND REGULATION	31,643	31,285	358
TRANSPORTATION	4,479	1,961	2,518
AIR	586	295	291
RAIL	1,868	1,337	531
PUBLIC	6,933	3,593	3,340
TOTAL TRANSPORTATION	4,622,206	4,520,158	102,048
TOTAL EXPENDITURES	(82,694)	11,923	94,617
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	98,732	98,732	
FUND BALANCE AT JULY 1		(6,044)	(6,044)
NON-BUDGETED ITEMS			$ 88,573
FUND BALANCE AT JUNE 30	$ 16,038	$ 104,611	

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES BY SOURCE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

REVENUES BY SOURCE	For The Year Ended June 30, 1993	For The Year Ended June 30, 1992
TAXES:		
SALES AND GROSS RECEIPTS	$ 1,626,737	$ 1,522,313
INCOME:		
INDIVIDUAL	1,676,263	1,629,678
CORPORATIONS	254,797	271,022
PROPERTY	353,711	339,590
COAL SEVERANCE	180,704	185,020
LICENSES AND PRIVILEGES	89,766	85,429
INHERITANCE AND ESTATE	71,040	77,241
MISCELLANEOUS	22,923	20,788
TOTAL TAXES	4,275,941	4,131,081
LICENSES, FEES, AND PERMITS	35,437	20,091
INTERGOVERNMENTAL	4,375	4,038
CHARGES FOR SERVICES	2,494	2,045
FINES AND FORFEITS	35,411	34,665
INTEREST AND OTHER INVESTMENT INCOME	22,005	20,813
OTHER REVENUE	18	
TOTAL REVENUES BY SOURCE	$ 4,375,681	$ 4,212,733

COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES BY FUNCTION, CABINET, AND OBJECT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	For The Year Ended	
	June 30, 1993	June 30, 1992
GENERAL GOVERNMENT:		
CABINET FOR GENERAL GOVERNMENT		
PERSONAL SERVICES	$ 69,403	$ 63,485
UTILITIES, RENTALS, AND OTHER SERVICES	6,480	7,919
COMMODITIES AND SUPPLIES	16,008	17,940
GRANTS AND SUBSIDIES	39,621	42,267
CAPITAL OUTLAY	427	715
TRAVEL	783	929
JUDGEMENTS	189	
CONTINGENT LIABILITIES	1,086	510
TOTAL CABINET FOR GENERAL GOVERNMENT	133,997	133,765
FINANCE AND ADMINISTRATION CABINET		
PERSONAL SERVICES	11,444	11,856
UTILITIES, RENTALS, AND OTHER SERVICES	1,123	1,557
COMMODITIES AND SUPPLIES	1,982	2,246
GRANTS AND SUBSIDIES	198	198
CAPITAL OUTLAY	6	48
TRAVEL	87	108
JUDGEMENTS	2,831	842
REISSUE UNREDEEMED TREASURY CHECKS	379	353
TOTAL FINANCE AND ADMINISTRATION CABINET	18,050	17,208
REVENUE CABINET		
PERSONAL SERVICES	42,710	48,115
UTILITIES, RENTALS, AND OTHER SERVICES	9,177	10,815
COMMODITIES AND SUPPLIES	1,439	1,655
CAPITAL OUTLAY	542	687
TRAVEL	1,123	1,156
JUDGEMENTS	(750)	50
CONTINGENT LIABILITIES	4,071	(65,000)
TOTAL REVENUE CABINET	58,312	(2,522)
TOTAL GENERAL GOVERNMENT	210,359	148,451
LEGISLATIVE AND JUDICIAL		
PERSONAL SERVICES	90,272	88,776
UTILITIES, RENTALS, AND OTHER SERVICES	19,132	19,347
COMMODITIES AND SUPPLIES	4,517	5,256
CAPITAL OUTLAY	3,569	1,815
TRAVEL	2,021	2,182
JUDGEMENTS	36	73
CONTINGENT LIABILITIES	28	
TOTAL LEGISLATIVE AND JUDICIAL	119,575	117,449
COMMERCE:		
ECONOMIC DEVELOPMENT CABINET		
PERSONAL SERVICES	6,391	6,028
UTILITIES, RENTALS, AND OTHER SERVICES	987	1,031
COMMODITIES AND SUPPLIES	300	419
GRANTS AND SUBSIDIES	2,223	6,843
CAPITAL OUTLAY	131	205
TRAVEL	161	151
TOTAL ECONOMIC DEVELOPMENT CABINET	10,193	14,677

Continued

COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES BY FUNCTION,CABINET,AND OBJECT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30,1993
(Expressed in Thousands)

	For The Year Ended	
	June 30, 1993	June 30, 1992
TOURISM CABINET		
PERSONAL SERVICES	4,466	4,831
UTILITIES, RENTALS, AND OTHER SERVICES	1,227	1,173
COMMODITIES AND SUPPLIES	197	42
GRANTS AND SUBSIDIES	1,290	1,138
CAPITAL OUTLAY	7	103
TRAVEL	76	78
TOTAL TOURISM CABINET	7,263	7,365
TOTAL COMMERCE	17,456	22,042
EDUCATION AND HUMANITIES		
EDUCATION AND HUMANITIES CABINET		
PERSONAL SERVICES	285,356	273,369
UTILITIES, RENTALS, AND OTHER SERVICES	9,182	10,524
COMMODITIES AND SUPPLIES	2,869	2,926
GRANTS AND SUBSIDIES	1,829,480	1,764,665
CAPITAL OUTLAY	909	911
TRAVEL	660	579
TOTAL EDUCATION AND HUMANITIES CABINET	2,128,456	2,052,974
WORKFORCE DEVELOPMENT		
PERSONAL SERVICES	53,622	56,876
UTILITIES, RENTALS, AND OTHER SERVICES	7,390	8,556
COMMODITIES AND SUPPLIES	3,495	3,587
GRANTS AND SUBSIDIES	9,953	10,017
CAPITAL OUTLAY	1,023	3,311
TRAVEL	807	847
JUDGEMENTS	8	
CONTINGENT LIABILITIES	135	(40)
TOTAL WORKFORCE DEVELOPMENT	76,433	83,154
TOTAL EDUCATION AND HUMANITIES	2,204,889	2,136,128
HUMAN RESOURCES		
PERSONAL SERVICES	152,857	162,613
UTILITIES, RENTALS, AND OTHER SERVICES	23,797	22,225
COMMODITIES AND SUPPLIES	5,095	5,121
GRANTS AND SUBSIDIES	650,540	575,404
CAPITAL OUTLAY	487	542
TRAVEL	2,966	3,220
JUDGEMENTS	1,753	399
CONTINGENT LIABILITIES	2,800	1,246
TOTAL HUMAN RESOURCES	840,295	770,770
JUSTICE		
PERSONAL SERVICES	115,502	141,420
UTILITIES, RENTALS, AND OTHER SERVICES	13,952	14,281
COMMODITIES AND SUPPLIES	9,510	11,323
GRANTS AND SUBSIDIES	56,466	59,851
CAPITAL OUTLAY	1,451	3,496
TRAVEL	770	1,106
JUDGEMENTS	59	(156)
CONTINGENT LIABILITIES	331	(80)
TOTAL JUSTICE	198,041	231,241

	For The Year Ended	
	June 30, 1993	June 30, 1992
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION		
PERSONAL SERVICES	35,339	37,519
UTILITIES, RENTALS, AND OTHER SERVICES	4,517	4,421
COMMODITIES AND SUPPLIES	2,119	2,082
GRANTS AND SUBSIDIES	1,353	1,756
CAPITAL OUTLAY	185	1,177
TRAVEL	390	319
JUDGEMENTS	9	
CONTINGENT LIABILITIES	42	13
TOTAL NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	43,954	47,287
PUBLIC PROTECTION AND REGULATION:		
PUBLIC PROTECTION AND REGULATION CABINET		
PERSONAL SERVICES	22,601	23,954
UTILITIES, RENTALS, AND OTHER SERVICES	2,049	2,766
COMMODITIES AND SUPPLIES	521	792
GRANTS AND SUBSIDIES	3,872	3,743
CAPITAL OUTLAY	127	389
TRAVEL	350	468
JUDGEMENTS		(130)
TOTAL PUBLIC PROTECTION AND REGULATION CABINET	29,520	31,982
LABOR CABINET		
PERSONAL SERVICES	1,398	1,531
UTILITIES, RENTALS, AND OTHER SERVICES	89	136
COMMODITIES AND SUPPLIES		27
GRANTS	94	58
CAPITAL OUTLAY	2	
TRAVEL	84	93
TOTAL LABOR CABINET	1,667	1,845
TOTAL PUBLIC PROTECTION AND REGULATION	31,187	33,827
TRANSPORTATION		
PERSONAL SERVICES	645	564
UTILITIES, RENTALS, AND OTHER SERVICES	653	174
COMMODITIES AND SUPPLIES	113	19
GRANTS AND SUBSIDIES	2,296	2,374
TRAVEL	12	12
TOTAL TRANSPORTATION	3,719	3,143
TOTAL EXPENDITURES	$ 3,669,475	$ 3,510,338

SPECIAL REVENUE FUNDS

The **Special Revenue Funds** account for special revenue sources dedicated to specific operations other than expendable trusts or major capital projects. Kentucky uses the following Special Revenue Funds:

Transportation Fund - accounts for General Fund transfers, agency revenue, federal revenue, and related expenditures of the Transportation Cabinet including the constitutional Road Fund.

Federal Fund - accounts for monies received from the Federal Government.

Agency Revenue Fund - accounts for revenues and expenditures of restricted taxes, fees, and charges related to a particular function or activity and usually appropriated by the General Assembly.

Other Special Revenue Fund - accounts for revenues and expenditures of restricted taxes, fees, and charges related to a particular function or activity, but not usually appropriated by the General Assembly.

COMMONWEALTH OF KENTUCKY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 1993
(Expressed in Thousands)

	Transportation	Federal	Agency Revenue	Other Special Revenue	Totals June 30, 1993	Totals June 30, 1992
ASSETS						
CASH AND CASH EQUIVALENTS	$ 165,143	$ 4,569	$ 84,058	$ 70,525	$ 324,295	$ 272,257
CASH WITH FISCAL AGENTS			22,727		22,727	18,594
RESTRICTED CASH	545				545	583
INVESTMENTS, NET OF AMORTIZATION	372,048		31,620	388,275	791,943	653,642
RECEIVABLES, NET	69,471	327,915	36,402	24,947	458,735	397,072
INTERFUND RECEIVABLES	21,906	11,674	57,796	64,819	156,195	133,585
INVENTORIES	24,685	1,212	3,360	51	29,308	33,943
OTHER ASSETS			388		388	667
TOTAL ASSETS	$ 653,798	$ 345,370	$ 236,351	$ 548,617	$ 1,784,136	$ 1,510,343
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
ACCOUNTS PAYABLE	$ 84,294	$ 275,406	$ 40,125	$ 1,061	$ 400,886	$ 307,231
INTERFUND PAYABLES	62,453	24,955	13,559	114,250	215,217	183,742
DEFERRED REVENUE	13,561	11,351	15,030	5,282	45,224	70,239
TOTAL LIABILITIES	160,308	311,712	68,714	120,593	661,327	561,212
FUND BALANCES:						
RESERVED FOR:						
ENCUMBRANCES	152,475				152,475	172,246
STATUTORY OBLIGATIONS	58,134				58,134	43,029
LOANS			34,826	1,823	36,649	34,351
INVESTMENTS				2,090	2,090	2,693
INVENTORIES	24,685	1,212	3,360	51	29,308	33,943
COMPENSATING BALANCE WITH DEPOSITORIES	545				545	583
REVENUE BOND RETIREMENT				1,000	1,000	
UNRESERVED:						
DESIGNATED FOR HIGHWAY CONSTRUCTION	175,867				175,867	146,110
UNDESIGNATED	81,784	32,446	129,451	423,060	666,741	516,176
TOTAL FUND BALANCES	493,490	33,658	167,637	428,024	1,122,809	949,131
TOTAL LIABILITIES AND FUND BALANCES	$ 653,798	$ 345,370	$ 236,351	$ 548,617	$ 1,784,136	$ 1,510,343

COMMONWEALTH OF KENTUCKY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Transportation	Federal	Agency Revenue	Other Special Revenue	Totals For The Year Ended June 30, 1993	Totals For The Year Ended June 30, 1992
REVENUES:						
TAXES	$ 704,779	$	$ 17,189	$ 224,132	$ 946,100	$ 859,466
LICENSES, FEES, AND PERMITS	88,260		37,659	154	126,073	118,786
INTERGOVERNMENTAL		2,647,278	5,519	9,383	2,662,180	2,494,260
CHARGES FOR SERVICES	9,449	20	131,564	11,555	152,588	138,753
FINES AND FORFEITS	55	3	3,951	552	4,561	4,564
INTEREST AND OTHER INVESTMENT INCOME	18,451	108	16,470	21,417	56,446	59,218
OTHER REVENUES	4,792	65,264	32,229	30,491	132,776	79,515
TOTAL REVENUES	825,786	2,712,673	244,581	297,684	4,080,724	3,754,562
EXPENDITURES:						
CURRENT:						
GENERAL GOVERNMENT		42,909	46,369	145,264	234,542	87,645
LEGISLATIVE AND JUDICIAL		176	57	228	461	1,896
COMMERCE		167	19,650	6	19,823	19,470
EDUCATION AND HUMANITIES		346,040	46,081	46	392,167	375,636
HUMAN RESOURCES		2,042,708	248,902	(2,846)	2,288,764	2,146,218
JUSTICE		9,925	22,006		31,931	28,310
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION		26,551	12,960	16	39,527	9,632
PUBLIC PROTECTION AND REGULATION		6,388	45,748	(1)	52,135	40,061
TRANSPORTATION	683,636	175,885	10,920		870,441	973,683
TOTAL EXPENDITURES	683,636	2,650,749	452,693	142,713	3,929,791	3,682,551
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	142,150	61,924	(208,112)	154,971	150,933	72,011
OTHER FINANCING SOURCES (USES):						
OPERATING TRANSFERS IN	40,978	29,147	260,696	121,706	452,527	434,103
OPERATING TRANSFERS OUT	(124,512)	(63,395)	(28,627)	(482,663)	(699,197)	(594,661)
PROCEEDS FROM SALE OF BONDS-NEW ISSUES				273,972	273,972	
PROCEEDS FROM SALE OF BONDS-REFUNDING ISSUES				547,062	547,062	
PAYMENTS TO BOND ESCROW AGENTS				(547,062)	(547,062)	
CAPITALIZED LEASES		25	56		81	211
TOTAL OTHER FINANCING SOURCES (USES)	(83,534)	(34,223)	232,125	(86,985)	27,383	(160,347)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	58,616	27,701	24,013	67,986	178,316	(88,336)
FUND BALANCE AT JULY 1, AS RESTATED	436,363	7,867	145,178	359,723	949,131	1,032,699
INCREASE (DECREASE) IN INVENTORIES	(1,489)	(30)	(3,125)	6	(4,638)	4,780
RESIDUAL EQUITY TRANSFERS		(1,880)	1,571	309		(12)
FUND BALANCE AT JUNE 30	$ 493,490	$ 33,658	$ 167,637	$ 428,024	$ 1,122,809	$ 949,131

COMMONWEALTH OF KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	For The Year Ended June 30, 1993	For The Year Ended June 30, 1992
REVENUES:		
TAXES	$ 704,779	$ 651,274
LICENSES, FEES, AND PERMITS	88,260	84,010
INTERGOVERNMENTAL		4,282
CHARGES FOR SERVICES	9,449	14,185
FINES AND FORFEITS	55	24
INTEREST AND OTHER INVESTMENT INCOME	18,451	23,352
OTHER REVENUES	4,792	1,175
TOTAL REVENUES	825,786	778,302
EXPENDITURES:		
TRANSPORTATION:		
GENERAL ADMINISTRATION AND SUPPORT	48,390	19,527
MOTOR VEHICLE REGULATION	18,164	19,395
JUSTICE - STATE POLICE	28,726	1,675
HIGHWAYS	586,362	601,415
OTHER	1,994	194
TOTAL EXPENDITURES	683,636	642,206
EXCESS OF REVENUES OVER EXPENDITURES	142,150	136,096
OTHER FINANCING SOURCES (USES):		
OPERATING TRANSFERS IN	40,978	7,101
OPERATING TRANSFERS OUT	(124,512)	(166,725)
TOTAL OTHER FINANCING SOURCES (USES)	(83,534)	(159,624)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	58,616	(23,528)
FUND BALANCE AT JULY 1, AS RESTATED	436,363	458,233
INCREASE (DECREASE) IN INVENTORIES	(1,489)	1,658
FUND BALANCE AT JUNE 30	$ 493,490	$ 436,363

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Transportation			Federal		
	Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
REVENUES:						
BUDGETED:						
TAXES	$ 670,170	$ 693,436	$ 23,266	$	$	$
LICENSES, FEES, AND PERMITS	84,911	87,144	2,233			
CHARGES FOR SERVICES	17,760	17,095	(665)			
FINES AND FORFEITS	70	55	(15)			
INTEREST AND OTHER INVESTMENT INCOME	18,600	17,777	(823)			
OTHER REVENUES	727	996	269			
TOTAL BUDGETED REVENUES	792,238	816,503	24,265			
NON-BUDGETED:						
TAXES						
LICENSES, FEES, AND PERMITS						
INTERGOVERNMENTAL		2,224	2,224		2,644,475	
CHARGES FOR SERVICES					30	
FINES AND FORFEITS					6	
INTEREST AND OTHER INVESTMENT INCOME					110	
OTHER REVENUES		1,685	1,685		33,534	
TRANSFERS IN (INTERFUND)		41,110	41,110		29,327	
TRANSFERS IN (INTRAFUND)					25,222	
TOTAL NON-BUDGETED REVENUES		45,019	45,019		2,732,704	
TOTAL REVENUES	792,238	861,522	69,284		2,732,704	
EXPENDITURES:						
GENERAL GOVERNMENT						
GOVERNOR'S OFFICE				17		17
GOVERNOR'S OFFICE FOR POLICY AND MANAGEMENT						
CAMPBELL COUNTY FEES						
DAVIESS COUNTY FEES						
FAYETTE COUNTY FEES						
JEFFERSON COUNTY FEES						
KENTON COUNTY FEES						
PIKE COUNTY FEES						
UNIFIED PROSECUTORIAL SYSTEM:						
COMMONWEALTH ATTORNEYS				324	265	59
COUNTY ATTORNEYS						
DEPARTMENT OF AGRICULTURE				1,637	1,419	218
OFFICE OF THE ATTORNEY GENERAL				1,504	1,443	61
AUDITOR OF PUBLIC ACCOUNTS						
MILITARY AFFAIRS:						
VETERANS NURSING HOME				1,341	234	1,107
GENERAL OPERATIONS				14,368	9,397	4,971
KENTUCKY RETIREMENT SYSTEMS						
LOCAL GOVERNMENT -						
VARIOUS AREA DEVELOPMENT DISTRICTS				34,147	33,699	448
DEPARTMENT OF THE TREASURY						
BOARD OF:						
ACCOUNTANCY						
AUCTIONEERS						
BARBERING						
CHIROPRACTIC EXAMINERS						
DENTISTRY						
DIETICIANS AND NUTRITIONISTS						
ELECTIONS						
EMBALMERS AND FUNERAL HOME DIRECTORS						
EXAMINERS AND REGISTRATION OF ARCHITECTS						

Agency Revenue			Totals		
Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
$	$	$	$ 670,170	$ 693,436	$ 23,266
			84,911	87,144	2,233
			17,760	17,095	(665)
			70	55	(15)
			18,600	17,777	(823)
			727	996	269
			792,238	816,503	24,265
	16,745			16,745	
	37,496			37,496	
	15,611			2,662,310	
	748,007			748,037	
	3,887			3,893	
	29,995			30,105	
	97,114			132,333	
	300,231			370,668	
	7,269			32,491	
	1,256,355			4,034,078	
	1,256,355			4,850,581	
267	199	68	284	199	85
51		51	51		51
1,723	1,682	41	1,723	1,682	41
2,375	2,138	237	2,375	2,138	237
5,887	5,838	49	5,887	5,838	49
17,062	17,001	61	17,062	17,001	61
3,161	2,950	211	3,161	2,950	211
1,793	1,860	(67)	1,793	1,860	(67)
38	28	10	362	293	69
10	6	4	10	6	4
946	830	116	2,583	2,249	334
1,182	812	370	2,686	2,255	431
2,671	2,183	488	2,671	2,183	488
2,110	1,698	412	3,451	1,932	1,519
1,837	1,136	701	16,205	10,533	5,672
9,307	8,325	982	9,307	8,325	982
1,630	1,068	562	35,777	34,767	1,010
231	228	3	231	228	3
416	375	41	416	375	41
214	178	36	214	178	36
139	138	1	139	138	1
103	99	4	103	99	4
204	176	28	204	176	28
11	4	7	11	4	7
100	80	20	100	80	20
147	115	32	147	115	32
108	103	5	108	103	5

Continued

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Transportation			Federal		
	Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
EXAMINERS AND REGISTRATION OF LANDSCAPE ARCHITECTS						
EXAMINERS OF PSYCHOLOGISTS						
EXAMINERS OF SOCIAL WORKERS						
GEOLOGISTS						
HAIRDRESSERS AND COSMETOLOGISTS						
LICENSING HEARING AID DEALERS AND FITTERS						
LICENSURE FOR NURSING HOME ADMINISTRATORS						
MEDICAL LICENSURE						
NURSING						
OPTHALMIC DISPENSERS						
OPTOMETRIC EXAMINERS						
OCCUPATIONAL THERAPY						
RESPIRATORY CARE PRACTITIONERS						
PERSONNEL BOARD						
BOARD OF:						
PHARMACY						
PHYSICAL THERAPISTS						
PODIATRY						
REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS						
SPEECH PATHOLOGY AND AUDIOLOGY						
VETERINARY EXAMINERS						
KENTUCKY ATHLETICS COMMISSION						
REAL ESTATE COMMISSION -						
ADMINISTRATION						
EDUCATION RESEARCH AND TRAINING						
REAL ESTATE APPRAISER BOARD						
COMMISSION ON WOMEN						
COMMISSION ON HUMAN RIGHTS				163	96	67
COUNCIL ON HIGHER EDUCATION				943	753	190
DEPARTMENT OF PERSONNEL				793	617	176
DEFERRED COMPENSATION SYSTEM						
EASTERN KENTUCKY UNIVERSITY						
KENTUCKY STATE UNIVERSITY						
MOREHEAD STATE UNIVERSITY						
MURRAY STATE UNIVERSITY						
NORTHERN KENTUCKY UNIVERSITY						
UNIVERSITY OF KENTUCKY						
UNIVERSITY OF KENTUCKY - COMMUNITY COLLEGE SYSTEM						
UNIVERSITY OF LOUISVILLE						
WESTERN KENTUCKY UNIVERSITY						
REVENUE CABINET:						
ADMINISTRATION						
DEPARTMENT OF TAX COMPLIANCE	1,000	1,000				
DEPARTMENT OF PROPERTY TAXATION	250	250				
OFFICE OF PROPERTY VALUATION ADMINISTRATORS						
FINANCE AND ADMINISTRATION -						
OFFICE OF THE SECRETARY				136	81	55
CAPITAL PLAZA AUTHORITY						
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY				1,107	1,100	7
DEPARTMENT FOR ADMINISTRATION						
OFFICE OF GOVERNMENTAL SERVICES CENTER						
DEPARTMENT FOR FACILITIES MANAGEMENT						
TOTAL GENERAL GOVERNMENT	1,250	1,250		56,480	49,104	7,376

Agency Revenue			Totals		
Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
28	27	1	28	27	1
87	75	12	87	75	12
92	88	4	92	88	4
125	23	102	125	23	102
670	468	202	670	468	202
27	25	2	27	25	2
50	43	7	50	43	7
933	886	47	933	886	47
1,619	1,582	37	1,619	1,582	37
8	7	1	8	7	1
72	61	11	72	61	11
16	15	1	16	15	1
58	34	24	58	34	24
3		3	3		3
454	424	30	454	424	30
111	108	3	111	108	3
8	5	3	8	5	3
499	479	20	499	479	20
31	26	5	31	26	5
105	102	3	105	102	3
60	60		60	60	
875	803	72	875	803	72
791	700	91	791	700	91
259	252	7	259	252	7
14	7	7	14	7	7
1		1	164	96	68
			943	753	190
357	145	212	1,150	762	388
500	457	43	500	457	43
75,690	65,898	9,792	75,690	65,898	9,792
17,045	12,667	4,378	17,045	12,667	4,378
45,692	34,471	11,221	45,692	34,471	11,221
39,548	34,028	5,520	39,548	34,028	5,520
39,902	35,929	3,973	39,902	35,929	3,973
436,062	372,267	63,795	436,062	372,267	63,795
62,407	39,184	23,223	62,407	39,184	23,223
186,018	48,427	137,591	186,018	48,427	137,591
55,623	43,241	12,382	55,623	43,241	12,382
123	112	11	123	112	11
2,457	2,272	185	3,457	3,272	185
354	337	17	604	587	17
2,097	1,870	227	2,097	1,870	227
1,571	1,303	268	1,707	1,384	323
473	455	18	473	455	18
10,191	9,202	989	11,298	10,302	996
2,179	1,946	233	2,179	1,946	233
1,187	1,114	73	1,187	1,114	73
832	564	268	832	564	268
1,041,027	761,439	279,588	1,098,757	811,793	286,964

Continued

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Transportation			Federal		
	Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
LEGISLATIVE AND JUDICIAL						
GENERAL ASSEMBLY - LONG TERM POLICY RESEARCH CENTER						
LEGISLATIVE RESEARCH COMMISSION				1		1
JUDICIAL FORM RETIREMENT SYSTEM						
COURT OF JUSTICE				374	176	198
TOTAL LEGISLATIVE AND JUDICIAL				375	176	199
COMMERCE						
ECONOMIC DEVELOPMENT -						
OFFICE OF THE SECRETARY						
ADMINISTRATION AND SUPPORT						
FINANCIAL INCENTIVES						
COMMUNITY DEVELOPMENT				120	120	
DEPARTMENT OF PARKS				20	20	
TOURISM - TRAVEL DEVELOPMENT				58	47	11
DEPARTMENT OF FISH AND WILDLIFE RESOURCES						
TOBACCO RESEARCH BOARD						
TOTAL COMMERCE				198	187	11
EDUCATION AND HUMANITIES						
KENTUCKY ORAL HISTORY COMMISSION						
COMMISSION ON DEAF AND HEARING IMPAIRED						
KENTUCKY HERITAGE COUNCIL				840	726	114
OFFICE OF THE SECRETARY				862	862	
EDUCATION:						
EXECUTIVE POLICY AND MANAGEMENT				33	5	28
MANAGEMENT SUPPORT SERVICES				138,661	119,141	19,520
LEARNING RESULTS SERVICES				1,983	716	1,267
LEARNING SUPPORT SERVICES				179,157	172,438	6,719
RESEARCH AND PLANNING						
COMMUNICATION SERVICES						
INTERNAL ADMINISTRATION						
KENTUCKY EDUCATIONAL TELEVISION				192	124	68
KENTUCKY HISTORICAL SOCIETY				19	12	7
LIBRARIES AND ARCHIVES:						
DIRECT LOCAL AID				1,047	514	533
GENERAL OPERATIONS				1,519	1,391	128
TEACHERS RETIREMENT SYSTEM						
WORKFORCE DEVELOPMENT						
OFFICE OF THE SECRETARY				278	235	43
BOARD OF PROPRIETARY EDUCATION						
STATE ADVISORY COUNCIL FOR VOCATIONAL EDUCATION				140	132	8
DEPARTMENT FOR THE BLIND				7,014	6,821	193
DEPARTMENT FOR ADULT AND TECHNICAL EDUCATION				25,660	23,702	1,958
OFFICE OF ADULT EDUCATION				7,891	6,728	1,163
ADMINISTRATIVE SERVICES						
DEPARTMENT OF VOCATIONAL REHABILITATION				31,458	29,120	2,338
OCCUPATIONAL INFORMATION COORDINATING COMMITTEE				124	117	7
GOVERNOR'S COMMISSION ON LITERACY				705	527	178
TOTAL EDUCATION AND HUMANITIES				397,583	363,311	34,272

Agency Revenue			Totals		
Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
200	10	190	200	10	190
813	6	807	814	6	808
70	9	61	70	9	61
204	19	185	578	195	383
1,287	44	1,243	1,662	220	1,442
40	21	19	40	21	19
244	232	12	244	232	12
1,634	1,088	546	1,634	1,088	546
236	133	103	356	253	103
			20	20	
			58	47	11
19,567	19,094	473	19,567	19,094	473
21,721	20,568	1,153	21,919	20,755	1,164
2		2	2		2
80	33	47	920	759	161
453	266	187	1,315	1,128	187
630	491	139	663	496	167
2,626	1,805	821	141,287	120,946	20,341
300	223	77	2,283	939	1,344
645	249	396	179,802	172,687	7,115
960	612	348	1,152	736	416
622	395	227	641	407	234
35	22	13	1,082	536	546
1,286	938	348	2,805	2,329	476
3,056	2,833	223	3,056	2,833	223
			278	235	43
98	89	9	98	89	9
			140	132	8
1,337	1,153	184	8,351	7,974	377
29,053	27,965	1,088	54,713	51,667	3,046
791	699	92	8,682	7,427	1,255
2,106	2,102	4	2,106	2,102	4
2,232	1,990	242	33,690	31,110	2,580
8		8	132	117	15
167	124	43	872	651	221
46,487	41,989	4,498	444,070	405,300	38,770

Continued

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Transportation			Federal		
	Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
HUMAN RESOURCES						
EXECUTIVE OFFICE OF SUPPORT SERVICES				17,270	16,086	1,184
DEPARTMENT FOR MENTAL HEALTH AND MENTAL RETARDATION SERVICES				24,777	20,779	3,998
DEPARTMENT FOR HEALTH SERVICES				111,225	102,076	9,149
COMMISSION FOR HANDICAPPED CHILDREN				4,491	4,236	255
DEPARTMENT FOR EMPLOYMENT SERVICES:						
UNEMPLOYMENT INSURANCE ADMINISTRATION				23,899	21,672	2,227
PROGRAMS				93,655	74,346	19,309
DEPARTMENT FOR SOCIAL INSURANCE -						
PROGRAMS				107,105	84,990	22,115
BENEFITS				205,444	182,165	23,279
DEPARTMENT FOR MEDICAID SERVICES -						
PROGRAMS				27,058	20,934	6,124
BENEFITS				1,589,566	1,366,629	222,937
DEPARTMENT FOR SOCIAL SERVICES				141,899	134,375	7,524
TOTAL HUMAN RESOURCES				2,346,389	2,028,288	318,101
JUSTICE						
ADMINISTRATION				8,458	7,746	712
DEPARTMENT OF STATE POLICE	28,750	28,750		6,995	5,884	1,111
DEPARTMENT OF CRIMINAL JUSTICE TRAINING						
DEPARTMENT OF CORRECTIONS -						
MANAGEMENT				47	3	44
ADULT INSTITUTIONS				1,654	595	1,059
COMMUNITY SERVICE AND LOCAL FACILITIES				9		9
TOTAL JUSTICE	28,750	28,750		17,163	14,228	2,935
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION						
OFFICE OF THE SECRETARY				603	484	119
KENTUCKY RIVER AUTHORITY						
ENVIRONMENTAL QUALITY COMMISSION				3	3	
KENTUCKY NATURE PRESERVES COMMISSION				190	148	42
OFFICE OF GEOGRAPHIC INFORMATION SYSTEMS						
DEPARTMENT OF LAW				4,354	4,057	297
DEPARTMENT FOR ENVIRONMENTAL PROTECTION				12,399	9,314	3,085
DEPARTMENT FOR NATURAL RESOURCES				3,169	3,019	150
DEPARTMENT FOR SURFACE MINING RECLAMATION AND ENFORCEMENT				18,118	11,909	6,209
TOTAL NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION				38,836	28,934	9,902
PUBLIC PROTECTION AND REGULATION						
BOARD OF CLAIMS AND CRIME VICTIMS COMPENSATION				328	240	88
BACKSIDE IMPROVEMENT COMMISSION						
KENTUCKY RACING COMMISSION						
PUBLIC SERVICE COMMISSION				150	146	4
DEPARTMENT:						
FOR PUBLIC ADVOCACY				1,137	927	210
OF ALCOHOLIC BEVERAGE CONTROL						
FOR FINANCIAL INSTITUTIONS						
FOR HOUSING, BUILDING, AND CONSTRUCTION				4	4	
OF INSURANCE						
FOR MINES AND MINERALS				705	651	54

Agency Revenue			Totals		
Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
8,970	7,864	1,106	26,240	23,950	2,290
64,278	57,190	7,088	89,055	77,969	11,086
11,900	11,332	568	123,125	113,408	9,717
1,561	1,426	135	6,052	5,662	390
			23,899	21,672	2,227
5,438	4,980	458	99,093	79,326	19,767
19,340	12,146	7,194	126,445	97,136	29,309
17,936	15,362	2,574	223,380	197,527	25,853
3,392	3,132	260	30,450	24,066	6,384
202,085	120,880	81,205	1,791,651	1,487,509	304,142
17,736	17,734	2	159,635	152,109	7,526
352,636	252,046	100,590	2,699,025	2,280,334	418,691
1,199	753	446	9,657	8,499	1,158
5,871	4,551	1,320	41,616	39,185	2,431
16,965	15,844	1,121	16,965	15,844	1,121
284	218	66	331	221	110
4,474	2,798	1,676	6,128	3,393	2,735
650	448	202	659	448	211
29,443	24,612	4,831	75,356	67,590	7,766
83	71	12	686	555	131
221		221	221		221
4	4		7	7	
166	133	33	356	281	75
62	51	11	62	51	11
76	56	20	4,430	4,113	317
9,302	6,934	2,368	21,701	16,248	5,453
6,572	3,007	3,565	9,741	6,026	3,715
4,570	3,800	770	22,688	15,709	6,979
21,056	14,056	7,000	59,892	42,990	16,902
1,125	1,119	6	1,453	1,359	94
760	197	563	760	197	563
9,188	8,670	518	9,188	8,670	518
39	38	1	189	184	5
545	509	36	1,682	1,436	246
392	333	59	392	333	59
5,078	4,847	231	5,078	4,847	231
28,909	27,437	1,472	28,913	27,441	1,472
7,892	5,491	2,401	7,892	5,491	2,401
1,480	1,237	243	2,185	1,888	297

Continued

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Transportation			Federal		
	Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
LABOR CABINET -						
OFFICE OF THE SECRETARY						
OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION				342	297	45
WORKPLACE STANDARDS				4,905	4,513	392
TOTAL PUBLIC PROTECTION AND REGULATION				7,571	6,778	793
TRANSPORTATION						
ADMINISTRATION	46,101	41,970	4,131			
REVENUE SHARING	215,118	170,372	44,746			
AIR TRANSPORTATION				34	30	4
HIGHWAYS	786,564	380,823	405,741	541,334	211,344	329,990
HIGHWAYS-PUBLIC TRANSPORTATION				6,006	4,368	1,638
RAIL				50	11	39
VEHICLE REGULATION	20,750	19,155	1,595	1,726	719	1,007
DEBT SERVICE	143,072	141,083	1,989			
TRANSFERS TO CAPITAL CONSTRUCTION	10,324	4,698	5,626			
1990 ECONOMIC DEVELOPMENT BOND PROJECTS						
TOTAL TRANSPORTATION	1,221,929	758,101	463,828	549,150	216,472	332,678
TOTAL EXPENDITURES	1,251,929	788,101	463,828	3,413,745	2,707,478	706,267
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(459,691)	73,421	533,112		25,226	
OTHER FINANCING SOURCES (USES):						
PROCEEDS FROM SALE OF BONDS TURNPIKE AUTHORITY	26,381	26,381				
TOTAL OTHER FINANCING SOURCES (USES)	26,381	26,381				
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(433,310)	99,802			25,226	
FUND BALANCE AT JULY 1	366,733	366,733			34,161	
NON-BUDGETED ITEMS		(85)	(85)		(41,287)	
RESIDUAL EQUITY TRANSFERS, NET					(1,880)	
FUND BALANCE AT JUNE 30	$ (66,577)	$ 466,450	$ 533,027	$	$ 16,220	$

Agency Revenue			Totals		
Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
2,852	2,374	478	2,852	2,374	478
			342	297	45
			4,905	4,513	392
58,260	52,252	6,008	65,831	59,030	6,801
7,487	6,209	1,278	53,588	48,179	5,409
			215,118	170,372	44,746
120	64	56	154	94	60
4,472	1,882	2,590	1,332,370	594,049	738,321
137		137	6,143	4,368	1,775
			50	11	39
1,901	1,437	464	24,377	21,311	3,066
			143,072	141,083	1,989
			10,324	4,698	5,626
356,511	102,572	253,939	356,511	102,572	253,939
370,628	112,164	258,464	2,141,707	1,086,737	1,054,970
1,942,545	1,279,170	663,375	6,608,219	4,774,749	1,833,470
	(22,815)			75,832	
150,000	150,000		150,000	150,000	
			26,381	26,381	
150,000	150,000		176,381	176,381	
	127,185			252,213	
	550,801			951,695	
	(37,960)			(79,332)	
	1,571			(309)	
$	$ 641,597	$	$	$ 1,124,267	$

DEBT SERVICE FUND

The **Debt Service Fund** accounts for payment of principal, interest, and administrative fees due on general long-term debt issues of the Commonwealth, and for the accumulation of financial resources used to make such payments.

COMMONWEALTH OF KENTUCKY
BALANCE SHEET
DEBT SERVICE FUND
JUNE 30, 1993
(Expressed in Thousands)

	June 30, 1993	June 30, 1992
ASSETS		
CASH AND CASH EQUIVALENTS	$ 32,496	$ 27,382
CASH WITH FISCAL AGENTS	67,780	67,839
INVESTMENTS, NET OF AMORTIZATION	272,156	150,334
RECEIVABLES, NET	70,208	74,986
INTERFUND RECEIVABLES	59,029	57,556
TOTAL ASSETS	$ 501,669	$ 378,097
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
ACCOUNTS PAYABLE	$ 18,639	$ 34,324
INTERFUND PAYABLES	4	371
DEFERRED REVENUE	67,090	70,778
TOTAL LIABILITIES	85,733	105,473
FUND BALANCE:		
RESERVED FOR:		
REVENUE BOND RETIREMENT	167,165	249,228
UNRESERVED:		
DESIGNATED FOR DEBT SERVICE	248,771	23,396
TOTAL FUND BALANCE	415,936	272,624
TOTAL LIABILITIES AND FUND BALANCE	$ 501,669	$ 378,097

COMMONWEALTH OF KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	For The Year Ended	
	June 30, 1993	June 30, 1992
REVENUES:		
INTEREST AND OTHER INVESTMENT INCOME	$ 17,302	$ 16,322
OTHER REVENUES	517	361
TOTAL REVENUES	17,819	16,683
EXPENDITURES:		
PRINCIPAL RETIREMENT	113,658	224,726
INTEREST AND FISCAL CHARGES	170,226	188,362
OTHER EXPENDITURES	439	362
TOTAL EXPENDITURES	284,323	413,450
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(266,504)	(396,767)
OTHER FINANCING SOURCES (USES):		
OPERATING TRANSFERS IN - GENERAL FUND	133,791	67,997
OPERATING TRANSFERS IN - CAPITAL PROJECTS FUND	12,164	1,405
OPERATING TRANSFERS IN - TRANSPORTATION FUND	15,538	10,736
OPERATING TRANSFERS IN - AGENCY REVENUE FUND	8,074	78,712
OPERATING TRANSFERS IN - OTHER SPECIAL REVENUE FUND	241,782	142,339
OPERATING TRANSFERS IN - STATE FAIR BOARD FUND	371	371
OPERATING TRANSFERS OUT - OTHER SPECIAL REVENUE FUND	(1)	(4,965)
PROCEEDS FROM SALE OF BONDS:		
NEW ISSUES	1,296	4,933
REFUNDING ISSUES	135,725	25,832
PAYMENTS TO REFUNDED BOND ESCROW AGENT	(138,924)	(29,093)
TOTAL OTHER FINANCING SOURCES (USES)	409,816	298,267
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	143,312	(98,500)
FUND BALANCE AT JULY 1, AS RESTATED	272,624	371,124
FUND BALANCE AT JUNE 30	$ 415,936	$ 272,624

CAPITAL PROJECTS FUND

The **Capital Projects Fund** accounts for financial resources appropriated by the General Assembly for the acquisition, construction, or renovation of major capital facilities, and for the acquisition of major equipment other than that financed by proprietary funds, certain trust funds, and university and college funds.

COMMONWEALTH OF KENTUCKY
BALANCE SHEET
CAPITAL PROJECTS FUND
JUNE 30, 1993
(Expressed in Thousands)

	June 30, 1993	June 30, 1992
ASSETS		
CASH AND CASH EQUIVALENTS	$ 98,279	$ 114,103
INVESTMENTS, NET OF AMORTIZATION	76,186	138,903
RECEIVABLES, NET	7,775	9,628
INTERFUND RECEIVABLES	105	3,398
TOTAL ASSETS	$ 182,345	$ 266,032
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
ACCOUNTS PAYABLE	$ 11,822	$ 9,761
INTERFUND PAYABLES	2,478	242
DEFERRED REVENUE	2,913	5,365
TOTAL LIABILITIES	17,213	15,368
FUND BALANCE:		
RESERVED FOR:		
ENCUMBRANCES	47,432	51,481
CAPITAL OUTLAY	142,397	161,668
UNRESERVED:		
UNDESIGNATED	(24,697)	37,515
TOTAL FUND BALANCE	165,132	250,664
TOTAL LIABILITIES AND FUND BALANCE	$ 182,345	$ 266,032

COMMONWEALTH OF KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	For The Year Ended	
	June 30, 1993	June 30, 1992
REVENUES:		
INTERGOVERNMENTAL	$ 22,275	$ 22,078
INTEREST AND OTHER INVESTMENT INCOME	13,089	16,166
OTHER REVENUES	1,604	365
TOTAL REVENUES	36,968	38,609
EXPENDITURES:		
CAPITAL OUTLAY:		
GENERAL GOVERNMENT	30,735	29,648
COMMERCE	45,384	103,770
EDUCATION AND HUMANITIES	16,369	20,662
HUMAN RESOURCES	8,094	9,175
JUSTICE	22,398	13,592
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	21,665	20,633
PUBLIC PROTECTION AND REGULATION	702	9
TRANSPORTATION	5,812	4,176
TOTAL EXPENDITURES	151,159	201,665
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(114,191)	(163,056)
OTHER FINANCING SOURCES (USES):		
OPERATING TRANSFERS IN	29,832	30,710
OPERATING TRANSFERS OUT	(20,476)	(3,982)
PROCEEDS FROM SALE OF BONDS - NEW ISSUES	19,303	166,681
TOTAL OTHER FINANCING SOURCES (USES)	28,659	193,409
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(85,532)	30,353
FUND BALANCE AT JULY 1	250,664	220,311
FUND BALANCE AT JUNE 30	$ 165,132	$ 250,664

COMMONWEALTH OF KENTUCKY
SCHEDULE OF CONSTRUCTION IN PROGRESS
CAPITAL PROJECTS FUND - (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Appropriations To Date	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balances
GENERAL GOVERNMENT					
REVENUE CABINET	$ 1,630	$ 721	$ 671	$ 1,392	$ 244
CABINET OF THE GENERAL GOVERNMENT	86,601	39,246	2,741	41,987	44,614
FINANCE AND ADMINISTRATION CABINET	335,967	104,263	49,941	154,204	181,763
CABINET FOR UNIVERSITIES	1,630,225	578,961	100,368	679,329	950,896
TOTAL GENERAL GOVERNMENT	2,054,429	723,191	153,721	876,912	1,177,517
LEGISLATIVE AND JUDICIAL					
LEGISLATIVE CABINET	3,024				3,024
TOTAL LEGISLATIVE AND JUDICIAL	3,024				3,024
COMMERCE					
CABINET FOR ECONOMIC DEVELOPMENT	289,687	57,908	14,631	72,539	217,148
TOURISM CABINET	220,985	45,820	28,311	74,131	146,854
TOTAL COMMERCE	510,672	103,728	42,942	146,670	364,002
EDUCATION AND HUMANITIES					
EDUCATION, ARTS AND HUMANITIES CABINET	52,491	36,835	4,020	40,855	11,636
CABINET FOR WORKFORCE DEVELOPMENT	49,847	11,979	12,776	24,755	25,092
TOTAL EDUCATION AND HUMANITIES	102,338	48,814	16,796	65,610	36,728
HUMAN RESOURCES					
CABINET FOR HUMAN RESOURCES	89,982	48,899	7,799	56,698	33,284
TOTAL HUMAN RESOURCES	89,982	48,899	7,799	56,698	33,284
JUSTICE					
JUSTICE CABINET	167,702	112,115	22,099	134,214	33,488
TOTAL JUSTICE	167,702	112,115	22,099	134,214	33,488
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION					
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET	387,581	25,190	21,191	46,381	341,200
TOTAL NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	387,581	25,190	21,191	46,381	341,200
PUBLIC PROTECTION AND REGULATION					
PUBLIC PROTECTION AND REGULATION CABINET	1,000	745	135	880	120
LABOR CABINET	812		460	460	352
TOTAL PUBLIC PROTECTION AND REGULATION	1,812	745	595	1,340	472
TRANSPORTATION					
TRANSPORTATION CABINET	30,609	12,282	5,239	17,521	13,088
TOTAL TRANSPORTATION	30,609	12,282	5,239	17,521	13,088
TOTAL PROJECTS	$ 3,348,149	$ 1,074,964	$ 270,382	$ 1,345,346	$ 2,002,803

Mary Todd Lincoln House, built 1818-1820. Robert S. Todd moved into this house with his family, including Mary Ann Todd, in 1832. Located Downtown Lexington.

ENTERPRISE FUNDS

The **Enterprise Funds** - account for those public corporations empowered by the Kentucky Revised Statutes (KRS) to provide certain services to the citizens of Kentucky and the operation of State agencies that provide goods or services to the general public on a user charge basis. The State enterprise operations are described below.

Kentucky Lottery Corporation - empowered by KRS 154A to administer the Kentucky state lottery created pursuant to amended Section 226 of the Constitution of Kentucky as ratified by the voters of the Commonwealth.

Kentucky Center for the Arts - established by the General Assembly to promote the growth and development of the arts, convention trade, tourism and hotel industries within Jefferson County and the Commonwealth. The Center has the responsibility of maintaining, operating and insuring the Kentucky Center for the Arts building.

Kentucky Agricultural Finance Corporation - created by the 1984 General Assembly to "improve and promote the health, welfare and prosperity of the people of the Commonwealth through the stimulation of existing agricultural ventures." This corporation helps banks and other financial institutions assist eligible farmers in receiving low interest loans through the issuance of tax-exempt agricultural revenue bonds.

Kentucky Local Correctional Facilities Construction Authority - created in 1982 pursuant to Sections 441.605 through 441.695 of the KRS to provide an additional and alternative method for constructing, improving, repairing and financing regional and local jail facilities.

Kentucky Housing Corporation - authorized under KRS Chapter 198A in 1972 to increase the supply of housing for persons of lower income by making and participating in insured construction loans, and making or participating in insured mortgage loans when financing is not available from private lenders under reasonably equivalent terms and conditions.

Kentucky Infrastructure Authority - established in 1988 by KRS 224A.030, as amended, to assume all powers, duties and obligations of the Kentucky Pollution Abatement and Water Resources Finance Authority in assisting governmental agencies within the Commonwealth in constructing and acquiring infrastructure projects.

Kentucky Higher Education Student Loan Corporation - empowered by KRS Chapter 164A to finance state and federally insured loans to students attending eligible postsecondary institutions, through direct loans to students and the purchase of student notes from lenders.

Kentucky Educational Savings Plan Trust - established by KRS 164A.310 to encourage citizens to invest funds for future educational use, and to create an endowment fund, the income from which will be available to participants' savings.

Kentucky Economic Development Finance Authority - established in 1958 under KRS Chapter 154 to promote industrial development, and authorized to issue industrial revenue bonds that do not constitute a legal or moral obligation of the Commonwealth. The authority's Japanese Yen Bonds are legal obligations of the Commonwealth.

Other - these five enterprise operations have been included in this group as follows:

(1) **State Parks Fund** - accounts for revenues earned and expenses incurred in the commercial operations of the Department of Parks.

(2) **State Fair Board Fund** - accounts for revenues earned and expenses incurred in the commercial operations of the State Fair Board.

(3) **Industries for the Blind Fund** - accounts for revenues earned and expenses incurred in the commercial operations of the Department for the Blind.

(4) **State Horse Park Fund** - accounts for revenues earned and expenses incurred in the commercial operations of the Kentucky Horse Park.

(5) **Insurance Administration Fund** - accounts for insurance risk pools operated by the State. These include:

Kentucky Kare - a self insured health care plan offered to employees of the State, local boards of education, local health departments, and retirees under the age of 65.

Workers' Compensation Special Fund - provides benefits for workers with illnesses which are not attributable to one employer.

Petroleum Storage Tank Environmental Asurance Program - provides for the clean-up of leaking underground storage tanks in amounts that exceed the insurance coverage required of the owners and operators.

Mine Subsidence Insurance Program - to provide coverage against losses arising out of or due to mine subsidence within this state.

Bond Pool Program - to provide coverage to reclaim surface mined land when the permit holder has forfeited bonds posted for such purpose.

Grain Insurance Program - provides protection to grain producers in the event of the failure of a grain dealer or grain warehouseman.

COMMONWEALTH OF KENTUCKY
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
JUNE 30, 1993
(Expressed in Thousands)

	Kentucky Lottery Corporation	Kentucky Center For The Arts	Kentucky Agricultural Finance Corporation	Kentucky Local Correctional Facilities Construction Authority
ASSETS				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	$ 2,668	$ 850	$ 294	$ 1,840
CASH WITH FISCAL AGENTS				
RESTRICTED CASH				
INVESTMENTS, NET OF AMORTIZATON	21,917			4,821
RECEIVABLES, NET	25,699	555	201	248
INTERFUND RECEIVABLES				
INTEREST RECEIVABLE			5	219
INVENTORIES	2,615	63		
PREPAID EXPENSES	172	112		
OTHER ASSETS	4			
TOTAL CURRENT ASSETS	53,075	1,580	500	7,128
OTHER ASSETS:				
LONG-TERM INVESTMENTS	143,108	352		3,786
LONG-TERM RECEIVABLES	2,211	150		7,728
DEFERRED CHARGES	137			722
RESTRICTED ASSETS				
TOTAL OTHER ASSETS	145,456	502		12,236
FIXED ASSETS:				
LAND		129		
IMPROVEMENTS OTHER THAN BUILDINGS	376			
BUILDINGS		31,571		
MACHINERY AND EQUIPMENT	33,645	3,642		
LESS ACCUMULATED DEPRECIATION	(16,756)	(9,411)		
CONSTRUCTION IN PROGRESS				
TOTAL FIXED ASSETS, NET	17,265	25,931		
TOTAL ASSETS	$ 215,796	$ 28,013	$ 500	$ 19,364
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	$ 8,170	$ 690	$ 5	$ 1,761
INTERFUND PAYABLES				
CLAIMS LIABILITY				
CLAIMS ADJUSTMENT LIABILITY				
CAPITAL LEASE OBLIGATIONS		173		
LONG-TERM DEBT	4,000			721
COMPENSATED ABSENCES				
DEFERRED REVENUE		157		
AMOUNT HELD IN CUSTODY FOR OTHERS				1,909
OTHER LIABILITIES	28,233			
TOTAL CURRENT LIABILITIES	40,403	1,020	5	4,391
LONG-TERM LIABILITIES:				
CAPITAL LEASE OBLIGATIONS		83		
NOTES PAYABLE	15,500			
BONDS PAYABLE				39,237
CLAIMS LIABILITY				
CLAIMS ADJUSTMENT LIABILITY				
COMPENSATED ABSENCES				
INTERFUND PAYABLES				
OTHER LONG-TERM LIABILITIES	157,097			
TOTAL LONG-TERM LIABILITIES	172,597	83		39,237
TOTAL LIABILITIES	213,000	1,103	5	43,628
FUND EQUITY:				
CONTRIBUTED CAPITAL	20	23,809		
RETAINED EARNINGS:				
RESERVED FOR:				
REVENUE BOND RETIREMENT				
UNRESERVED	2,776	3,101	495	(24,264)
TOTAL FUND EQUITY	2,796	26,910	495	(24,264)
TOTAL LIABILITIES AND FUND EQUITY	$ 215,796	$ 28,013	$ 500	$ 19,364

Kentucky Housing Corporation	Kentucky Infrastructure Authority	Kentucky Higher Education Student Loan Corporation	Kentucky Educational Savings Plan Trust	Kentucky Economic Development Finance Authority	Other	Totals June 30, 1993	Totals June 30, 1992
$ 2,484	$ 83,783	$ 6,144	$ 142	$ 626	$ 124,015	$ 222,846	$ 312,980
					6,106	6,106	6,616
				2,637	6,593	9,230	17,648
310,966	13,306	49,417	1,958	1,348		403,733	547,479
106,410	8,559	893			4,894	147,459	128,201
					846	845	1,808
3,081	1,449	8,610	32	1,662	7,674	22,732	6,035
					4,571	7,249	5,745
73					313	670	755
						4	83
423,014	107,097	65,064	2,132	6,273	155,012	820,875	1,027,350
399	8,687			400	364,360	521,092	396,263
608,019	140,037	291,601		126,419		1,176,165	1,151,164
10,839	1,331	3,071		1,179		17,279	20,304
				56,756		56,756	54,882
619,257	150,055	294,672		184,754	364,360	1,771,292	1,622,613
392					27,303	27,824	27,824
					51,490	51,866	49,968
16,727				463	202,371	251,132	233,616
1,055				403	30,659	69,404	64,879
(1,117)				(577)	(131,900)	(159,761)	(143,973)
					34,860	34,860	20,792
17,057				289	214,783	275,325	253,106
$ 1,059,328	$ 257,152	$ 359,736	$ 2,132	$ 191,316	$ 734,155	$ 2,867,492	$ 2,903,069
$ 55,212	$ 3,502	$ 4,759	$	$ 853	$ 9,436	$ 84,388	$ 88,646
		436			2,862	3,298	756
					156,716	156,716	138,024
					4,685	4,685	4,311
					476	649	512
20,912	23,825	51,350			555	101,363	168,707
					2,352	2,352	1,886
2,450					7,725	10,332	24,781
			2,132			4,041	6,291
1,106				10		29,349	14,529
79,680	27,327	56,545	2,132	863	184,807	397,173	448,443
					484	567	1,030
						15,500	28,700
819,602	165,637	272,265		93,557	1,750	1,392,048	1,475,665
					827,378	827,378	776,500
					36,481	36,481	37,671
					2,062	2,062	2,196
							68
					739	157,836	112,209
819,602	165,637	272,265		93,557	868,894	2,431,872	2,434,039
899,282	192,964	328,810	2,132	94,420	1,053,701	2,829,045	2,882,482
					124,668	148,497	127,446
134,465	64,188	29,420		62,816	6,106	296,995	277,591
25,581		1,506		34,080	(450,320)	(407,045)	(384,450)
160,046	64,188	30,926		96,896	(319,546)	38,447	20,587
$ 1,059,328	$ 257,152	$ 359,736	$ 2,132	$ 191,316	$ 734,155	$ 2,867,492	$ 2,903,069

COMMONWEALTH OF KENTUCKY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Kentucky Lottery Corporation	Kentucky Center For The Arts	Kentucky Agricultural Finance Corporation	Kentucky Local Correctional Facilities Construction Authority	Kentucky Housing Corporation
OPERATING REVENUES:					
CHARGES FOR SERVICES	$	$ 2,240	$	$	$ 4,940
INTEREST AND OTHER INVESTMENT INCOME	756	30		1,069	77,204
LOTTERY PROCEEDS	486,461				
OTHER REVENUES				4,041	
TOTAL OPERATING REVENUES	487,217	2,270		5,110	82,144
OPERATING EXPENSES:					
PERSONAL SERVICES	8,081	3,244	2		272
UTILITIES, RENTALS, AND OTHER SERVICES	941	413			4,214
COMMODITIES AND SUPPLIES	240	365			171
GRANTS AND SUBSIDIES				3,941	1,485
DEPRECIATION AND AMORTIZATION	6,705	1,092		112	1,251
INTEREST	736	30		3,013	64,069
TRAVEL	475	33			230
CLAIMS EXPENSE					
CLAIMS ADJUSTMENT EXPENSE					
PRIZE EXPENSE	310,116				
OTHER EXPENSES	60,848	1,197		71	3,861
TOTAL OPERATING EXPENSES	388,142	6,374	2	7,137	75,553
OPERATING INCOME (LOSS)	99,075	(4,104)	(2)	(2,027)	6,591
NONOPERATING REVENUES (EXPENSES):					
INTERGOVERNMENTAL REVENUE		1,170			
GRANTS AND DONATIONS		854			
MEMBERSHIP REVENUE		214			
KENTUCKY CENTER FOR THE ARTS ENDOWMENT		325			
GAIN (LOSS) ON SALE OF FIXED ASSETS		(5)			
INTEREST AND OTHER INVESTMENT INCOME		(24)	12		
INTEREST EXPENSE					
JUDGEMENTS AND CONTINGENCIES					
OTHER REVENUES		787			
TOTAL NONOPERATING REVENUES (EXPENSES)		3,321	12		
INCOME (LOSS) BEFORE OPERATING TRANSFERS AND EXTRAORDINARY ITEM	99,075	(783)	10	(2,027)	6,591
OPERATING TRANSFERS IN					
OPERATING TRANSFERS OUT	(100,000)				
EXTRAORDINARY GAIN (LOSS) ON DEFEASANCE					(2,856)
NET INCOME (LOSS)	(925)	(783)	10	(2,027)	3,735
ADD DEPRECIATION ON FIXED ASSETS ACQUIRED BY CAPITAL GRANTS	20	789			
INCREASE (DECREASE) IN RETAINED EARNINGS	(905)	6	10	(2,027)	3,735
RETAINED EARNINGS AT JULY 1, AS RESTATED	3,681	3,095	485	(22,237)	156,311
EQUITY TRANSFERS IN (OUT)					
RETAINED EARNINGS AT JUNE 30	$ 2,776	$ 3,101	$ 495	$ (24,264)	$ 160,046

Kentucky Infrastructure Authority	Kentucky Higher Education Student Loan Corporation	Kentucky Educational Savings Plan Trust	Kentucky Economic Development Finance Authority	Other	Totals For The Year Ended June 30, 1993	Totals For The Year Ended June 30, 1992
$ 202	$	$	$ 282	$ 342,905	$ 350,569	$ 341,801
13,122	31,943		7,089	33,232	164,445	178,019
					486,461	427,542
27,953	21		95	3,700	35,810	21,696
41,277	31,964		7,466	379,837	1,037,285	969,058
867			388	65,813	78,667	82,558
			440	18,680	24,688	24,184
				23,033	23,809	16,492
4,591				946	10,963	5,782
248	792		278	8,990	19,468	18,589
12,639	19,715		2,931		103,133	118,725
			7	730	1,475	1,120
				319,752	319,752	266,851
				(816)	(816)	865
					310,116	263,318
109	8,332	271	1,004	11	75,704	62,578
18,454	28,839	271	5,048	437,139	966,959	861,062
22,823	3,125	(271)	2,418	(57,302)	70,326	107,996
					1,170	1,008
					854	705
					214	211
					325	215
				(6)	(11)	(40)
				186	174	479
				(205)	(205)	(228)
				(698)	(698)	(4)
					787	1,004
				(723)	2,610	3,350
22,823	3,125	(271)	2,418	(58,025)	72,936	111,346
5,550		271		26,433	32,254	24,636
				(8,517)	(108,517)	(100,240)
(1,929)					(4,785)	(561)
26,444	3,125		2,418	(40,109)	(8,112)	35,181
				4,112	4,921	5,177
26,444	3,125		2,418	(35,997)	(3,191)	40,358
37,744	27,801		94,478	(408,217)	(106,859)	(147,229)
						12
$ 64,188	$ 30,926	$	$ 96,896	$ (444,214)	$ (110,050)	$ (106,859)

COMMONWEALTH OF KENTUCKY
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Kentucky Lottery Corporation	Kentucky Center For The Arts	Kentucky Agricultural Finance Corporation
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH RECEIVED FROM CUSTOMERS - PUBLIC	$ 486,461	$ 2,107	$
CASH RECEIVED FROM CUSTOMERS - STATE			
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(324,593)	(2,868)	(2)
CASH PAYMENTS FOR EMPLOYEE SALARIES AND BENEFITS	(8,081)	(2,547)	
CASH PAYMENTS FOR CLAIMS EXPENSE			
CASH PAYMENTS (TO) FROM OTHER SOURCES			
NET CASH PROVIDED BY OPERATING ACTIVITIES	153,787	(3,308)	(2)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
PROCEEDS FROM BOND ISSUANCE		3,272	
DEBT RELATED EXPENSES			
OPERATING TRANSFERS-IN FROM OTHER FUNDS			
OPERATING TRANSFERS-OUT TO OTHER FUNDS	(100,000)		
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(100,000)	3,272	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(4,136)	(113)	
PRINCIPAL PAID ON REVENUE BOND MATURITIES AND EQUIPMENT CONTRACTS	(4,000)		
INTEREST PAID ON REVENUE BOND AND EQUIPMENT CONTRACTS			
PROCEEDS FROM SALE OF EQUIPMENT			
CONTRIBUTED CAPITAL			
PROCEEDS FROM SALE OF REVENUE BONDS	10,000		
OTHER PROCEEDS/CHARGES			
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	1,864	(113)	
CASH FLOWS FROM INVESTING ACTIVITIES:			
PURCHASE OF INVESTMENT SECURITIES	(71,963)	(325)	
PROCEEDS FROM SALE AND MATURITIES OF INVESTMENT SECURITIES	12,210		(12)
INTEREST AND DIVIDENDS ON INVESTMENTS			11
NET CASH USED IN INVESTING ACTIVITIES	(59,753)	(325)	(1)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,102)	(474)	(3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,770	1,324	297
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,668	$ 850	$ 294
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	$ 99,075	$ (4,104)	$ (2)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
DEPRECIATION AND AMORTIZATION	6,705	1,092	
INTEREST AND OTHER INVESTMENT INCOME			
MISCELLANEOUS NONOPERATING INCOME (EXPENSE)			
CHANGE IN ASSETS AND LIABILITIES:			
(INCREASE) DECREASE IN RECEIVABLES, NET	(390)	(11)	
(INCREASE) DECREASE IN INTERFUND RECEIVABLES			
(INCREASE) DECREASE IN INVENTORIES	(1,149)	(5)	
(INCREASE) DECREASE IN PREPAID EXPENSES	119	(45)	
(INCREASE) DECREASE IN OTHER ASSETS	3	(82)	3
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	64,150	(49)	
INCREASE (DECREASE) IN INTERFUND PAYABLES			(3)
INCREASE (DECREASE) IN CLAIMS LIABILITY			
INCREASE (DECREASE) IN CLAIMS ADJUSTMENT LIABILITY			
INCREASE (DECREASE) IN COMPENSATED ABSENCES	45	(104)	
INCREASE (DECREASE) IN OTHER LIABILITIES			
INCREASE (DECREASE) IN DEFERRED REVENUE	(14,771)		
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 153,787	$ (3,308)	$ (2)

THROUGH NON-CASH TRANSACTIONS, THE ENTERPRISE FUND ACQUIRED FIXED ASSETS VALUED AT $19,042(000). FIXED ASSETS ACQUIRED THROUGH CONTRIBUTED CAPITAL WERE $6,453(000). FIXED ASSETS VALUED AT $12,300(000) WERE ACQUIRED THROUGH SETTLEMENT OF LOANS.

Kentucky Local Correctional Facilities Construction Authority	Kentucky Housing Corporation	Kentucky Infrastructure Authority	Kentucky Higher Education Student Loan Corporation	Kentucky Educational Savings Plan Trust	Kentucky Economic Development Finance Authority	Other	Totals For The Year Ended June 30, 1993	Totals For The Year Ended June 30, 1992
$ 5,094	$ 72,765	$ 41,284	$ 75,973	$ 756	$ (10,524)	$ 286,933	$ 960,849	$ 920,924
						55,599	55,599	50,289
(2,978)	(9,310)	(58,698)	(71,793)	(271)	(541)	(49,547)	(520,601)	(401,878)
	(272)				(388)	(59,716)	(71,004)	(76,656)
						(249,716)	(249,716)	(223,558)
						(27)	(27)	2,792
2,116	63,183	(17,414)	4,180	485	(11,453)	(16,474)	175,100	271,913
		37,465		1			40,738	
(7,211)		(52,965)	(38,288)		(3,200)		(101,664)	(62)
		5,550		271		26,778	32,599	24,275
						(8,508)	(108,508)	(100,240)
(7,211)		(9,950)	(38,288)	272	(3,200)	18,270	(136,835)	(76,027)
	(638)				(5)	(16,124)	(21,016)	(13,513)
	(154,934)					(990)	(159,924)	(192,253)
	(71,720)					(205)	(71,925)	(87,282)
						84	84	175
						19,519	19,519	282
	10,625						20,625	327,177
	(1,879)						(1,879)	(1,089)
	(218,546)				(5)	2,284	(214,516)	33,497
(2,439)	(1,037,806)			(878)	(109,874)	(248,852)	(1,472,137)	(1,401,071)
	1,168,735	7,060	19,500		107,748	173,914	1,489,155	1,127,997
447	19,703	4,921	5,318	92	2,550	27,129	60,171	72,000
(1,992)	150,632	11,981	24,818	(786)	424	(47,809)	77,189	(201,074)
(7,087)	(4,731)	(15,383)	(9,290)	(29)	(14,234)	(43,729)	(99,062)	28,309
8,927	7,215	99,166	15,434	171	17,497	180,443	337,244	308,935
$ 1,840	$ 2,484	$ 83,783	$ 6,144	$ 142	$ 3,263	$ 136,714	$ 238,182	$ 337,244
$ (2,027)	$ 6,591	$ 22,823	$ 3,125	$ (271)	$ 2,418	$ (57,302)	$ 70,326	$ 107,996
2,531	1,251		791		278	8,990	21,638	18,589
						(33,232)	(33,232)	(34,520)
						(26)	(26)	2,792
11	9,044	(46,371)	(303)		(14,477)	(2,957)	(55,454)	(31,990)
						75	75	(81)
						(351)	(1,505)	(162)
						83	157	77
567	45,241	(6,614)	(941)	756	604		39,537	52,991
1,034	117	12,748	1,508		(276)	(3,648)	75,584	97,241
						2,306	2,303	70
						69,570	69,570	46,351
						(816)	(816)	865
						437	378	468
	939						939	(541)
						397	(14,374)	11,767
$ 2,116	$ 63,183	$ (17,414)	$ 4,180	$ 485	$ (11,453)	$ (16,474)	$ 175,100	$ 271,913

FIXED ASSETS VALUED AT $289(000) WERE ACQUIRED THROUGH CAPITAL LEASES. THERE WERE NO CASH DOWN PAYMENTS RELATED TO THESE TRANSACTIONS. MONTHLY PAYMENTS FOR PRINCIPAL AND INTEREST WERE $101(000) AND $1(000), RESPECTIVELY.

COMMONWEALTH OF KENTUCKY
COMBINING BALANCE SHEET
OTHER ENTERPRISE FUNDS
JUNE 30, 1993
(Expressed in Thousands)

	State Parks	State Fair Board
ASSETS		
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	$ 8,325	$ 3,160
CASH WITH FISCAL AGENTS	6,106	
RESTRICTED CONSTRUCTION FUNDS		6,593
RECEIVABLES, NET	429	995
INTERFUND RECEIVABLES	88	181
INTEREST RECEIVABLE		
INVENTORIES	3545	497
PREPAID EXPENSES	12	289
TOTAL CURRENT ASSETS	18,505	11,715
OTHER ASSETS:		
LONG-TERM INVESTMENTS		
TOTAL OTHER ASSETS		
FIXED ASSETS:		
LAND	10,226	14,073
IMPROVEMENTS OTHER THAN BUILDINGS	37,810	
BUILDINGS	63,853	124,296
MACHINERY AND EQUIPMENT	19,286	5,949
LESS ACCUMULATED DEPRECIATION	(64,537)	(48,191)
CONSTRUCTION IN PROGRESS	20,131	14,186
TOTAL FIXED ASSETS, NET	86,769	110,313
TOTAL ASSETS	$ 105,274	$ 122,028
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	$ 2,086	$ 1,020
INTERFUND PAYABLES	1,326	122
CLAIMS LIABILITY		
CLAIMS ADJUSTMENT LIABILITY		
CAPITAL LEASE OBLIGATIONS	476	
LONG-TERM DEBT	555	
COMPENSATED ABSENCES	1,247	407
DEFERRED REVENUE	1,689	1,214
OTHER LIABILITIES		
TOTAL CURRENT LIABILITIES	7,379	2,763
LONG-TERM LIABILITIES:		
INTERFUND PAYABLES		
CLAIMS LIABILITY		
CLAIMS ADJUSTMENT LIABILITY		
CAPITAL LEASE OBLIGATIONS	484	
BONDS PAYABLE	1,750	
COMPENSATED ABSENCES	1,484	213
OTHER LIABILITIES	739	
TOTAL LONG-TERM LIABILITIES	4,457	213
TOTAL LIABILITIES	11,836	2,976
FUND EQUITY:		
CONTRIBUTED CAPITAL	28,367	81,330
RETAINED EARNINGS:		
RESERVED FOR:		
REVENUE BOND RETIREMENT	6,106	
UNRESERVED	58,965	37,722
TOTAL FUND EQUITY	93,438	119,052
TOTAL LIABILITIES AND FUND EQUITY	$ 105,274	$ 122,028

Industries for the Blind	Horse Park	Insurance Administration	Totals	
			June 30, 1993	June 30, 1992
$ 38	$ 769	$ 111,723	$ 124,015	$ 172,934
			6,106	6,616
			6,593	893
135	221	3,114	4,894	1,783
27	18	532	846	1,808
		7,674	7,674	6,032
205	312	12	4,571	4,221
	12		313	396
405	1,332	123,055	155,012	194,683
		364,360	364,360	284,388
		364,360	364,360	284,388
50	2,954		27,303	27,303
	13,680		51,490	49,608
988	13,234		202,371	197,379
240	2,930	2,254	30,659	29,848
(736)	(17,699)	(737)	(131,900)	(123,686)
	543		34,860	20,792
542	15,642	1,517	214,783	201,244
$ 947	$ 16,974	$ 488,932	$ 734,155	$ 680,315
$ 47	$ 304	$ 5,979	$ 9,436	$ 13,124
1	45	1,368	2,862	753
		156,716	156,716	138,024
		4,685	4,685	4,311
			476	338
			555	565
25	175	498	2,352	1,782
		4,822	7,725	7,328
73	524	174,068	184,807	166,225
				68
		827,378	827,378	776,500
		36,481	36,481	37,671
			484	759
			1,750	2,305
24	47	294	2,062	2,196
			739	
24	47	864,153	868,894	819,499
97	571	1,038,221	1,053,701	985,724
	14,971		124,668	102,808
			6,106	6,616
850	1,432	(549,289)	(450,320)	(414,833)
850	16,403	(549,289)	(319,546)	(305,409)
$ 947	$ 16,974	$ 488,932	$ 734,155	$ 680,315

COMMONWEALTH OF KENTUCKY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	State Parks	State Fair Board
OPERATING REVENUES:		
CHARGES FOR SERVICES	$ 38,455	$ 20,003
INTEREST AND OTHER INVESTMENT INCOME		
OTHER REVENUES	88	590
TOTAL OPERATING REVENUES	38,543	20,593
OPERATING EXPENSES:		
PERSONAL SERVICES	34,057	10,174
UTILITIES, RENTALS, AND OTHER SERVICES	9,133	6,603
COMMODITIES AND SUPPLIES	17,638	1,787
GRANTS AND SUBSIDIES		946
DEPRECIATION AND AMORTIZATION	4,297	4,073
TRAVEL	276	95
CLAIMS EXPENSE		
CLAIMS ADJUSTMENT EXPENSE		
OTHER EXPENSES		
TOTAL OPERATING EXPENSES	65,401	23,678
OPERATING INCOME (LOSS)	(26,858)	(3,085)
NONOPERATING REVENUES (EXPENSES):		
GAIN (LOSS) ON SALE OF FIXED ASSETS	9	
INTEREST AND OTHER INVESTMENT INCOME	186	
INTEREST EXPENSE	(203)	(2)
JUDGEMENTS AND CONTINGENCIES	(691)	(3)
TOTAL NONOPERATING REVENUES (EXPENSES)	(699)	(5)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(27,557)	(3,090)
OPERATING TRANSFERS IN	23,594	230
OPERATING TRANSFERS OUT	(2,211)	(396)
NET INCOME (LOSS)	(6,174)	(3,256)
ADD DEPRECIATION ON FIXED ASSETS ACQUIRED BY CAPITAL GRANTS	247	3,584
INCREASE (DECREASE) IN RETAINED EARNINGS	(5,927)	328
RETAINED EARNINGS AT JULY 1, AS RESTATED	70,998	37,394
EQUITY TRANSFERS IN (OUT)		
RETAINED EARNINGS AT JUNE 30	$ 65,071	$ 37,722

Industries for the Blind	Horse Park	Insurance Administration	Totals For The Year Ended June 30, 1993	Totals For The Year Ended June 30, 1992
$ 1,334	$ 3,835	$ 279,278	$ 342,905	$ 335,692
		33,232	33,232	34,520
	7	3,015	3,700	321
1,334	3,842	315,525	379,837	370,533
1,052	2,772	17,758	65,813	71,820
101	961	1,882	18,680	18,288
822	1,359	1,427	23,033	15,884
			946	1,176
41	354	225	8,990	9,139
7	16	336	730	624
		319,752	319,752	266,851
		(816)	(816)	865
	11		11	10
2,023	5,473	340,564	437,139	384,657
(689)	(1,631)	(25,039)	(57,302)	(14,124)
		(15)	(6)	(50)
			186	397
			(205)	(208)
		(4)	(698)	(4)
		(19)	(723)	135
(689)	(1,631)	(25,058)	(58,025)	(13,989)
492	1,169	948	26,433	23,535
	(4)	(5,906)	(8,517)	(240)
(197)	(466)	(30,016)	(40,109)	9,306
	281		4,112	4,368
(197)	(185)	(30,016)	(35,997)	13,674
1,047	1,617	(519,273)	(408,217)	(421,903)
				12
$ 850	$ 1,432	$ (549,289)	$ (444,214)	$ (408,217)

COMMONWEALTH OF KENTUCKY
COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	State Parks	State Fair Board
CASH FLOWS FROM OPERATING ACTIVITIES:		
CASH RECEIVED FROM CUSTOMERS - PUBLIC	$ 37,480	$ 20,201
CASH RECEIVED FROM CUSTOMERS - STATE	891	446
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(27,193)	(9,591)
CASH PAYMENTS FOR EMPLOYEE SALARIES AND BENEFITS	(34,076)	(10,231)
CASH PAYMENTS FOR CLAIMS EXPENSE		
CASH PAYMENTS (TO) FROM OTHER SOURCES	(20)	(3)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(22,918)	822
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
OPERATING TRANSFERS-IN FROM OTHER FUNDS	23,954	230
OPERATING TRANSFERS-OUT TO OTHER FUNDS	(2,211)	(396)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	21,743	(166)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(878)	(14,852)
PRINCIPAL PAID ON REVENUE BOND MATURITIES AND EQUIPMENT CONTRACTS	(972)	(18)
INTEREST PAID ON REVENUE BOND AND EQUIPMENT CONTRACTS	(203)	(2)
PROCEEDS FROM SALE OF EQUIPMENT	84	
CONTRIBUTED CAPITAL		19,519
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(1,969)	4,647
CASH FLOWS FROM INVESTING ACTIVITIES:		
PURCHASE OF INVESTMENT SECURITIES		
PROCEEDS FROM SALE AND MATURITIES OF INVESTMENT SECURITIES		
INTEREST AND DIVIDENDS ON INVESTMENTS	186	
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	186	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,958)	5,303
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,389	4,450
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 14,431	$ 9,753
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS)	$ (26,858)	$ (3,085)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	4,297	4,073
INVESTMENT INCOME		
MISCELLANEOUS NONOPERATING INCOME (EXPENSE)	(20)	(3)
CHANGE IN ASSETS AND LIABILITIES:		
(INCREASE) DECREASE IN RECEIVABLES, NET	(2)	(43)
(INCREASE) DECREASE IN INTERFUND RECEIVABLES	111	(69)
(INCREASE) DECREASE IN INVENTORIES	(271)	(83)
(INCREASE) DECREASE IN PREPAID EXPENSES	15	80
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(1,695)	111
INCREASE (DECREASE) IN INTERFUND PAYABLES	1,207	(282)
INCREASE (DECREASE) IN CLAIMS LIABILITY		
INCREASE (DECREASE) IN CLAIMS ADJUSTMENT LIABILITY		
INCREASE (DECREASE) IN COMPENSATED ABSENCES	165	27
INCREASE (DECREASE) IN DEFERRED REVENUE	133	96
INCREASE (DECREASE) IN OTHER LIABILITIES		
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (22,918)	$ 822

THROUGH NON-CASH TRANSACTIONS, STATE PARKS AND HORSE PARK ACQUIRED FIXED ASSETS COSTING $6,394(000), AND $348(000), RESPECTIVELY. FIXED ASSETS ACQUIRED THROUGH CONTRIBUTED CAPITAL WERE $6,105(000) AND $348(000), RESPECTIVELY.

Industries For The Blind	Horse Park	Insurance Administration	Totals For The Years Ended June 30, 1993	June 30, 1992
$ 1,086	$ 3,747	$ 224,419	$ 286,933	$ 296,799
310	79	53,873	55,599	50,289
(905)	(2,754)	(9,104)	(49,547)	(40,643)
(1,028)	(2,260)	(12,121)	(59,716)	(66,446)
		(249,716)	(249,716)	(223,558)
		(4)	(27)	(405)
(537)	(1,188)	7,347	(16,474)	16,036
493	1,169	932	26,778	23,175
	(4)	(5,897)	(8,508)	(240)
493	1,165	(4,965)	18,270	22,935
	(65)	(329)	(16,124)	(3,218)
			(990)	(1,624)
			(205)	(208)
			84	174
			19,519	282
	(65)	(329)	2,284	(4,594)
		(248,852)	(248,852)	(238,368)
		173,914	173,914	158,198
		26,943	27,129	33,621
		(47,995)	(47,809)	(46,549)
(44)	(88)	(45,942)	(43,729)	(12,172)
82	857	157,665	180,443	192,615
$ 38	$ 769	$ 111,723	$ 136,714	$ 180,443
$ (689)	$ (1,631)	$ (25,039)	$ (57,302)	$ (14,124)
41	354	225	8,990	9,139
		(33,232)	(33,232)	(34,520)
		(3)	(26)	(405)
64	(32)	(2,944)	(2,957)	2,119
11	102	(80)	75	(81)
3	1	(1)	(351)	(293)
	(12)		83	(17)
25	(20)	(2,069)	(3,648)	5,081
(13)	26	1,368	2,306	67
		69,570	69,570	46,351
		(816)	(816)	865
21	24	200	437	407
		168	397	1,449
				(2)
$ (537)	$ (1,188)	$ 7,347	$ (16,474)	$ 16,036

STATE PARKS ACQUIRED FIXED ASSETS COSTING $289(000) THROUGH CAPITAL LEASES. PRINCIPAL AND INTEREST PAYMENTS MADE ON THESE LEASES WERE $101(000) AND $1(000), RESPECTIVELY.

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETED ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Budget	Actual	Variance - favorable (unfavorable)
COMMERCE - PARKS			
REVENUES:			
CHARGES FOR SERVICES	$	$ 38,313	$
OTHER REVENUES		171	
TOTAL REVENUES		38,484	
EXPENSES	39,698	38,878	820
EXCESS OF REVENUES OVER (UNDER) EXPENSES		(394)	
FUND EQUITY AT JULY 1		69,316	
NON-BUDGETED ITEMS		(15)	
FIXED ASSET ALLOCATIONS		19,146	
FUND EQUITY AT JUNE 30	$	$ 88,053	$
COMMERCE-FAIR BOARD			
REVENUES:			
CHARGES FOR SERVICES	$	$ 20,163	$
OTHER REVENUES		45	
TRANSFERS IN (INTERFUND)		10	
TOTAL REVENUES		20,218	
EXPENSES	19,431	19,375	56
EXCESS OF REVENUES OVER (UNDER) EXPENSES		843	
FUND EQUITY AT JULY 1		104,467	
NON-BUDGETED ITEMS		(16)	
FIXED ASSET ALLOCATIONS		(7,493)	
FUND EQUITY AT JUNE 30	$	$ 97,801	$
EDUCATION AND HUMANITIES - INDUSTRIES FOR THE BLIND			
REVENUES:			
CHARGES FOR SERVICES	$	$ 1,389	$
TRANSFERS IN (INTERFUND)		30	
TOTAL REVENUES		1,419	
EXPENSES	1,570	1,488	82
EXCESS OF REVENUES OVER (UNDER) EXPENSES		(69)	
FUND EQUITY AT JULY 1		765	
FIXED ASSET ALLOCATIONS		(41)	
FUND EQUITY AT JUNE 30	$	$ 655	$
COMMERCE - HORSE PARK			
REVENUES:			
CHARGES FOR SERVICES	$	$ 3,827	$
OTHER REVENUES		8	
TOTAL REVENUES		3,835	
EXPENSES	4,015	3,971	44
EXCESS OF REVENUES OVER (UNDER) EXPENSES		(136)	
FUND EQUITY AT JULY 1		13,378	
NON-BUDGETED ITEMS		(14)	
FIXED ASSET ALLOCATIONS		2,931	
FUND EQUITY AT JUNE 30	$	$ 16,159	$
PUBLIC PROTECTION AND REGULATION - SPECIAL BENEFITS			
FUND EQUITY AT JULY 1	$	$ 196,576	$
RESIDUAL EQUITY TRANSFERS, NET		(196,576)	
FUND EQUITY AT JUNE 30	$	$	$

	Budget	Actual	Variance - favorable (unfavorable)
PUBLIC PROTECTION AND REGULATION - INSURANCE ADMINISTRATION			
REVENUES:			
LICENSES, FEES, AND PERMITS	$	$ 886	$
CHARGES FOR SERVICES		109,877	
FINES AND FORFEITS		639	
INTEREST AND OTHER INVESTMENT INCOME		1,795	
OTHER REVENUES		262	
TRANSFERS IN (INTERFUND)		12,121	
TRANSFERS IN (INTRAFUND)		125,835	
TOTAL REVENUES		251,415	
EXPENSES:			
REVENUE CABINET - WORKERS COMPENSATION	133,920	133,082	838
GENERAL GOVERNMENT:			
OFFICE OF THE ATTORNEY GENERAL	3,320	2,950	370
DEPARTMENT OF PERSONNEL	894	585	309
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET:			
PETROLEUM STORAGE TANK ENVIRONMENTAL ASSURANCE FUND	9,914	4,253	5,661
DEPARTMENT FOR SURFACE MINING RECLAMATION AND ENFORCEMENT	192	123	69
PUBLIC PROTECTION AND REGULATION CABINET - DEPARTMENT OF INSURANCE	346	274	72
LABOR CABINET:			
DEPARTMENT OF WORKPLACE STANDARDS	120,356	119,404	952
DEPARTMENT OF WORKERS CLAIMS	7,505	7,004	501
TOTAL EXPENSES	276,447	267,675	8,772
EXCESS OF REVENUES OVER (UNDER) EXPENSES		(16,260)	
FUND EQUITY AT JULY 1			
NON-BUDGETED ITEMS		27,725	
FIXED ASSET ALLOCATIONS		1,422	
MOVED (TO) FROM TRUST FUND, NET		(181)	
RESIDUAL EQUITY TRANSFERS, NET		77,348	
FUND EQUITY AT JUNE 30	$	$ 90,054	$
TOTALS			
REVENUES:			
LICENSES, FEES, AND PERMITS	$	$ 886	$
CHARGES FOR SERVICES		173,569	
FINES AND FORFEITS		639	
INTEREST AND OTHER INVESTMENT INCOME		1,795	
OTHER REVENUES		486	
TRANSFERS IN (INTERFUND)		12,161	
TRANSFERS IN (INTRAFUND)		125,835	
TOTAL REVENUES		315,371	
EXPENSES:			
GENERAL GOVERNMENT	138,134	136,617	1,517
COMMERCE	63,144	62,224	920
EDUCATION AND HUMANITIES	1,570	1,488	82
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	10,106	4,376	5,730
PUBLIC PROTECTION AND REGULATION	128,207	126,682	1,525
TOTAL EXPENSES	341,161	331,387	9,774
EXCESS OF REVENUES OVER (UNDER) EXPENSES		(16,016)	
FUND EQUITY AT JULY 1		384,502	
NON-BUDGETED ITEMS		27,680	
FIXED ASSET ALLOCATIONS		15,965	
MOVED (TO) FROM TRUST FUND, NET		(181)	
RESIDUAL EQUITY TRANSFERS, NET		(119,228)	
FUND EQUITY AT JUNE 30	$	$ 292,722	$

Carroll Chimes Bell Tower, built circa 1970. Welcomes visitors with a 43-bell carillon that plays a mini-concert on the hour during daylight hours from spring to Christmas. The 21 moving figurines tell the story of the Pied Piper of Hamlin.

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided on a cost reimbursement basis by one agency of the Commonwealth to other state agencies or governments. Kentucky uses the following Internal Service Funds:

Computer Services Fund - accounts for expenses incurred and reimbursements received by the Department of Information Systems for computer and related data processing services.

Central Stores Fund - accounts for expenses incurred and reimbursements received by the Finance and Administration Cabinet's Central Stores operation.

Telecommunications Fund - accounts for expenses incurred and reimbursements received by the Finance and Administration Cabinet's Division of Telecommunications for Kentucky Emergency Warning System, telephone, and other communication services.

Prison Industries Fund - accounts for expenses incurred and reimbursements received by the Correction Cabinet's industrial prison operations.

Central Printing Fund - accounts for expenses incurred and reimbursements received by the Finance and Administration Cabinet's Division of Printing.

Property Management Fund - accounts for expenses incurred and reimbursements received by the Finance and Administration Cabinet's space rental and maintenance operation.

Risk Management Fund - accounts for the self insurance operations of the State which include:

Fire and Tornado Insurance Program - accounts for monies received by the Department of Insurance from State agencies and expended for insuring State property against loss from fires, tornadoes, etc.

State Workers' Compensation Program - accounts for monies received by the Department of Personnel from State agencies and expended for claims for job related injuries to State employees.

Transportation Cabinet's Self-Insured Workers' Compensation Trust Program - provides workers' compensation insurance for the employees of the Transportation Cabinet.

COMMONWEALTH OF KENTUCKY
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 1993
(Expressed in Thousands)

	Computer Services	Central Stores	Telecommunications
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	$ 7,247	$ 216	$ 2,419
RECEIVABLES, NET	3	18	14
INTERFUND RECEIVABLES	1,234		357
INTEREST RECEIVABLE			
INVENTORIES	95	1,054	115
PREPAID EXPENSES	48		
TOTAL CURRENT ASSETS	8,627	1,288	2,905
OTHER ASSETS:			
LONG-TERM INVESTMENTS			
TOTAL OTHER ASSETS			
FIXED ASSETS:			
LAND		40	
IMPROVEMENTS OTHER THAN BUILDINGS		3	356
BUILDINGS	5,360	530	1,543
MACHINERY AND EQUIPMENT	44,370	151	15,148
LESS ACCUMULATED DEPRECIATION	(33,626)	(433)	(14,910)
TOTAL FIXED ASSETS, NET	16,704	291	2,137
TOTAL ASSETS	$ 25,331	$ 1,579	$ 5,042
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	$ 1,687	$ 326	$ 579
INTERFUND PAYABLES	6,314	1	297
CLAIMS LIABILITY			
CAPITAL LEASE OBLIGATIONS	4,290		
COMPENSATED ABSENCES	1,219	50	133
DEFERRED REVENUE	860		
TOTAL CURRENT LIABILITIES	14,370	377	1,009
LONG-TERM LIABILITIES:			
CLAIMS LIABILITY			
CAPITAL LEASE OBLIGATIONS	7,817		
COMPENSATED ABSENCES	1,016	5	49
TOTAL LONG-TERM LIABILITIES	8,833	5	49
TOTAL LIABILITIES	23,203	382	1,058
FUND EQUITY:			
RETAINED EARNINGS:			
UNRESERVED	2,128	1,197	3,984
TOTAL FUND EQUITY	2,128	1,197	3,984
TOTAL LIABILITIES AND FUND EQUITY	$ 25,331	$ 1,579	$ 5,042

Prison Industries	Central Printing	Property Management	Risk Management	Totals June 30, 1993	Totals June 30, 1992
$ 1,971	$ 480	$ 5,390	$ 15,279	$ 33,002	$ 25,660
120	3		58	216	474
1,779	521	107	367	4,365	6,457
					33
2,011	293	183		3,751	3,428
				48	151
5,881	1,297	5,680	15,704	41,382	36,203
					4,493
					4,493
768		111		919	919
		11		370	370
2,532		435		10,400	10,505
4,370	2,721	1,440	7	68,807	66,830
(4,785)	(1,692)	(1,121)	(2)	(56,569)	(51,460)
2,885	1,029	876	5	23,927	27,164
$ 8,766	$ 2,326	$ 6,556	$ 15,709	$ 65,309	$ 67,860
$ 440	$ 213	$ 972	$ 901	$ 5,118	$ 4,892
24	1	40	2,151	8,828	8,026
			10,676	10,676	12,127
	151			4,441	891
106	108	445	29	2,090	1,994
832	173	7		1,872	2,303
1,402	646	1,464	13,757	33,025	30,233
			36,607	36,607	37,721
	223			8,040	11,900
58	89	324	3	1,544	1,624
58	312	324	36,610	46,191	51,245
1,460	958	1,788	50,367	79,216	81,478
7,306	1,368	4,768	(34,658)	(13,907)	(13,618)
7,306	1,368	4,768	(34,658)	(13,907)	(13,618)
$ 8,766	$ 2,326	$ 6,556	$ 15,709	$ 65,309	$ 67,860

COMMONWEALTH OF KENTUCKY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Computer Services	Central Stores	Telecommunications
OPERATING REVENUES:			
CHARGES FOR SERVICES	$ 32,118	$ 7,331	$ 9,812
OTHER REVENUES			368
TOTAL OPERATING REVENUES	32,118	7,331	10,180
OPERATING EXPENSES:			
PERSONAL SERVICES	17,433	526	2,345
UTILITIES, RENTALS, AND OTHER SERVICES	5,094	212	6,015
COMMODITIES AND SUPPLIES	2,944	6,599	180
GRANTS AND SUBSIDIES			
DEPRECIATION AND AMORTIZATION	7,472	35	438
TRAVEL	41	2	16
REINSURANCE EXPENSE			
CLAIMS EXPENSE			
OTHER EXPENSES			
TOTAL OPERATING EXPENSES	32,984	7,374	8,994
OPERATING INCOME (LOSS)	(866)	(43)	1,186
NONOPERATING REVENUES (EXPENSES):			
GAIN (LOSS) ON SALE OF FIXED ASSETS	(248)		1
INTEREST AND OTHER INVESTMENT INCOME			
INTEREST EXPENSE	(935)		
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,183)		1
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(2,049)	(43)	1,187
OPERATING TRANSFERS IN	24		
OPERATING TRANSFERS OUT	(15)	(101)	(801)
NET INCOME (LOSS)	(2,040)	(144)	386
RETAINED EARNINGS AT JULY 1, AS RESTATED	4,168	1,341	3,598
RETAINED EARNINGS AT JUNE 30	$ 2,128	$ 1,197	$ 3,984

Prison Industries	Central Printing	Property Management	Risk Management	Totals For The Year Ended June 30, 1993	Totals For The Year Ended June 30, 1992
$ 5,824	$ 4,545	$ 11,899	$ 22,247	$ 93,776	$ 93,172
13	4	13	4	402	314
5,837	4,549	11,912	22,251	94,178	93,486
1,859	2,015	8,369	1,728	34,275	34,874
471	709	5,428	854	18,783	17,072
3,125	1,375	1,346	21	15,590	17,774
463		3		466	2,236
315	249	162	1	8,672	8,705
29	2	27	5	122	143
			771	771	1,686
			12,377	12,377	27,242
			60	60	53
6,262	4,350	15,335	15,817	91,116	109,785
(425)	199	(3,423)	6,434	3,062	(16,299)
(46)	(2)			(295)	(126)
	(23)		144	144	33
				(958)	(525)
(46)	(25)		144	(1,109)	(618)
(471)	174	(3,423)	6,578	1,953	(16,917)
26		7,728		7,778	12,253
(3,068)	(354)	(3,531)	(2,150)	(10,020)	(14,607)
(3,513)	(180)	774	4,428	(289)	(19,271)
10,819	1,548	3,994	(39,086)	(13,618)	5,653
$ 7,306	$ 1,368	$ 4,768	$ (34,658)	$ (13,907)	$ (13,618)

COMMONWEALTH OF KENTUCKY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Computer Services	Central Stores	Telecom-munications
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH RECEIVED FROM CUSTOMERS - PUBLIC	$ 7	$	$ 1
CASH RECEIVED FROM CUSTOMERS - STATE	36,563	7,332	11,048
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(7,854)	(6,913)	(6,298)
CASH PAYMENTS FOR EMPLOYEE SALARIES AND BENEFITS	(16,683)	(513)	(2,307)
CASH PAYMENTS FOR CLAIMS EXPENSE			
CASH PAYMENTS FOR OTHER EXPENSES			
NET CASH PROVIDED BY OPERATING ACTIVITIES	12,033	(94)	2,444
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
OPERATING TRANSFERS-IN FROM OTHER FUNDS	24		
OPERATING TRANSFERS-OUT TO OTHER FUNDS	(15)	(101)	(2,001)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	9	(101)	(2,001)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(1,342)	(9)	(338)
PRINCIPAL PAID ON REVENUE BOND MATURITIES AND EQUIPMENT CONTRACTS	(4,102)		
INTEREST PAID ON REVENUE BOND AND EQUIPMENT CONTRACTS	(935)		
PROCEEDS FROM SALE OF EQUIPMENT	6		4
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(6,373)	(9)	(334)
CASH FLOWS FROM INVESTING ACTIVITIES:			
PURCHASE OF INVESTMENT SECURITIES			
PROCEEDS FROM SALE AND MATURITIES OF INVESTMENT SECURITIES			
INTEREST AND DIVIDENDS ON INVESTMENTS			
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,669	(204)	109
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,578	420	2,310
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,247	$ 216	$ 2,419
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	$ (866)	$ (43)	$ 1,186
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
DEPRECIATION	7,472	35	438
CHANGE IN ASSETS AND LIABILITIES:			
(INCREASE) DECREASE IN RECEIVABLES, NET	(3)	(9)	(14)
(INCREASE) DECREASE IN INTERFUND RECEIVABLES	253	14	726
(INCREASE) DECREASE IN INVENTORIES	30	(83)	(115)
(INCREASE) DECREASE IN PREPAID EXPENSES	58		
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(147)	(20)	126
INCREASE (DECREASE) IN INTERFUND PAYABLES	6,263	(1)	174
INCREASE (DECREASE) IN CLAIMS LIABILITY			
INCREASE (DECREASE) IN COMPENSATED ABSENCES	6	13	(9)
INCREASE (DECREASE) IN DEFERRED REVENUE	(1,033)		(68)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 12,033	$ (94)	$ 2,444

THROUGH CAPITAL LEASES, THE COMPUTER SERVICES FUND AND CENTRAL PRINTING FUND ACQUIRED FIXED ASSETS COSTING $3,494(000) AND $409(000), RESPECTIVELY. COMPUTER SERVICES CASH DOWN PAYMENT AND TRADE-IN ALLOWANCE WERE $10(000) AND $154(000), RESPECTIVELY.

Prison Industries	Central Printing	Property Management	Risk Management	Totals For The Years Ended June 30, 1993	Totals For The Years Ended June 30, 1992
$ 942	$	$ 47	$ 22,103	$ 23,100	$ 1,058
5,597	4,415	11,886		76,841	101,662
(4,481)	(2,190)	(6,718)	(855)	(35,309)	(37,006)
(2,109)	(2,065)	(8,426)	(2,066)	(34,169)	(36,296)
			(15,030)	(15,030)	(13,877)
			(60)	(60)	(10,088)
(51)	160	(3,211)	4,092	15,373	5,453
26		7,783		7,833	12,197
(3,068)	(354)	(5,086)	(2,666)	(13,291)	(11,701)
(3,042)	(354)	2,697	(2,666)	(5,458)	496
(245)	(46)	(107)	(4)	(2,091)	(2,778)
(18)	(105)			(4,225)	(3,921)
	(23)			(958)	(478)
20	1			31	15
(243)	(173)	(107)	(4)	(7,243)	(7,162)
					(4,492)
			4,492	4,492	
			178	178	
			4,670	4,670	(4,492)
(3,336)	(367)	(621)	6,092	7,342	(5,705)
5,307	847	6,011	9,187	25,660	31,365
$ 1,971	$ 480	$ 5,390	$ 15,279	$ 33,002	$ 25,660
$ (425)	$ 199	$ (3,423)	$ 6,434	$ 3,062	$ (16,299)
315	249	162	1	8,672	8,705
124			1	99	144
(262)	(158)	716	(148)	1,141	138
(74)	(14)	(67)		(323)	199
			(8)	50	(30)
16	6	138	344	463	(746)
(560)	(2)	(686)	1	5,189	923
			(2,565)	(2,565)	13,005
	(12)	(14)	32	16	318
815	(108)	(37)		(431)	(904)
$ (51)	$ 160	$ (3,211)	$ 4,092	$ 15,373	$ 5,453

MONTHLY PRINCIPAL AND INTEREST PAYMENTS MADE DURING THE YEAR WERE $543(000) AND $147(000), RESPECTIVELY. CENTRAL PRINTING RECEIVED A TRADE-IN ALLOWANCE OF $42(000). MONTHLY PRINCIPAL AND INTEREST PAYMENTS WERE $79(000) AND $21(000), RESPECTIVELY.

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETED INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Budget	Actual	Variance - favorable (unfavorable)
GENERAL GOVERNMENT - COMPUTER SERVICES			
REVENUES:			
CHARGES FOR SERVICES	$	$ 31,606	$
OTHER REVENUES		6	
TRANSFERS IN (INTERFUND)		2	
TOTAL REVENUES		31,614	
EXPENSES	33,231	31,650	1,581
EXCESS OF REVENUES OVER (UNDER) EXPENSES		(36)	
FUND EQUITY AT JULY 1		16,595	
FIXED ASSET ALLOCATIONS		3,979	
FUND EQUITY AT JUNE 30	$	$ 20,538	$
GENERAL GOVERNMENT - CENTRAL STORES			
REVENUES:			
CHARGES FOR SERVICES	$	$ 7,328	$
TOTAL REVENUES		7,328	
EXPENSES	9,178	7,358	1,820
EXCESS OF REVENUES OVER (UNDER) EXPENSES		(30)	
FUND EQUITY AT JULY 1		496	
NON-BUDGETED ITEMS		(102)	
FIXED ASSET ALLOCATIONS		(27)	
FUND EQUITY AT JUNE 30	$	$ 337	$
GENERAL GOVERNMENT - TELECOMMUNICATIONS			
REVENUES:			
CHARGES FOR SERVICES	$	$ 9,782	$
OTHER REVENUES		382	
TOTAL REVENUES		10,164	
EXPENSES	13,699	9,171	4,528
EXCESS OF REVENUES OVER (UNDER) EXPENSES		993	
FUND EQUITY AT JULY 1		4,628	
NON-BUDGETED ITEMS		(500)	
FIXED ASSET ALLOCATIONS		(806)	
FUND EQUITY AT JUNE 30	$	$ 4,315	$
JUSTICE - PRISON INDUSTRIES			
REVENUES:			
CHARGES FOR SERVICES	$	$ 5,860	$
INTEREST AND OTHER INVESTMENT INCOME		1	
OTHER REVENUES		32	
TRANSFERS IN (INTERFUND)		5	
TOTAL REVENUES		5,898	
EXPENSES	9,457	6,393	3,064
EXCESS OF REVENUES OVER (UNDER) EXPENSES		(495)	
FUND EQUITY AT JULY 1		9,105	
NON-BUDGETED ITEMS		(2,897)	
FIXED ASSET ALLOCATIONS		(187)	
FUND EQUITY AT JUNE 30	$	$ 5,526	$

	Budget	Actual	Variance - favorable (unfavorable)
GENERAL GOVERNMENT - CENTRAL PRINTING			
REVENUES:			
CHARGES FOR SERVICES	$	$ 4,475	$
OTHER REVENUES		5	
TOTAL REVENUES		4,480	
EXPENSES	4,713	4,387	326
EXCESS OF REVENUES OVER (UNDER) EXPENSES		93	
FUND EQUITY AT JULY 1		1,782	
NON-BUDGETED ITEMS		(354)	
FIXED ASSET ALLOCATIONS		134	
FUND EQUITY AT JUNE 30	$	$ 1,655	$
GENERAL GOVERNMENT - PROPERTY MANAGEMENT			
REVENUES:			
CHARGES FOR SERVICES	$	$ 1,533	$
OTHER REVENUES		13	
TRANSFERS IN (INTERFUND)		11,631	
TOTAL REVENUES		13,177	
EXPENSES	12,685	11,224	1,461
EXCESS OF REVENUES OVER (UNDER) EXPENSES		1,953	
FUND EQUITY AT JULY 1		2,538	
NON-BUDGETED ITEMS		110	
FIXED ASSET ALLOCATIONS		(72)	
FUND EQUITY AT JUNE 30	$	$ 4,529	$
GENERAL GOVERNMENT - RISK MANAGEMENT			
REVENUES:			
CHARGES FOR SERVICES	$	$ 14,408	$
INTEREST AND OTHER INVESTMENT INCOME		177	
OTHER REVENUES		3,973	
TRANSFERS IN (INTRAFUND)		215	
TOTAL REVENUES		18,773	
EXPENSES:			
DEPARTMENT OF PERSONNEL	13,399	11,658	1,741
DEPARTMENT OF INSURANCE	433	390	43
TOTAL EXPENSES	13,832	12,048	1,784
EXCESS OF REVENUES OVER (UNDER) EXPENSES		6,725	
FUND EQUITY AT JULY 1			
NON-BUDGETED ITEMS		(4,971)	
FIXED ASSET ALLOCATIONS		1	
RESIDUAL EQUITY TRANSFERS, NET		10,885	
FUND EQUITY AT JUNE 30	$	$ 12,640	$
TOTALS			
REVENUES:			
CHARGES FOR SERVICES	$	$ 74,992	$
INTEREST AND OTHER INVESTMENT INCOME		178	
OTHER REVENUES		4,411	
TRANSFERS IN (INTERFUND)		11,638	
TRANSFERS IN (INTRAFUND)		215	
TOTAL REVENUES		91,434	
EXPENSES:			
GENERAL GOVERNMENT	86,905	75,448	11,457
JUSTICE	9,457	6,393	3,064
PUBLIC PROTECTION AND REGULATION	433	390	43
TOTAL EXPENSES	96,795	82,231	14,564
EXCESS OF REVENUES OVER (UNDER) EXPENSES		9,203	
FUND EQUITY AT JULY 1		35,144	
NON-BUDGETED ITEMS		(8,714)	
FIXED ASSET ALLOCATIONS		3,022	
RESIDUAL EQUITY TRANSFERS, NET		10,885	
FUND EQUITY AT JUNE 30	$	$ 49,540	$

TRUST AND AGENCY FUNDS

Kentucky utilizes four types of **Trust and Agency Funds** to account for assets held as trustee or agent for individuals, private organizations, or other governments as follows:

Expendable Trust Funds account for assets held by the Commonwealth as a legal trustee when both principal and interest may be expended for designated purposes. Kentucky uses the following Expendable Trust Funds:

Unemployment Compensation Fund - accounts for assessed employer contributions and related unemployment compensation payments.

Special Benefits Fund - accounts for other fiduciary monies to be expended only for designated operations.

The Nonexpendable Trust Fund accounts for endowments held by the Commonwealth as a legal trustee in situations requiring that the principal be preserved intact and only the interest be expended as designated. This activity is accounted for in the column titled Endowments on the face of the following financial statements.

Pension Trust Funds account for monies received for and expenses incurred by the various public employe retirement systems administered by the State. Kentucky uses the following Pension Trust Funds:

Kentucky Employes Retirement System Fund - accounts for revenues and expenses of the retirement system which covers substantially all regular full-time employes of any State department, board or agency directed by Executive Order to participate in the system.

State Police Retirement System Fund - accounts for revenues and expenses of the retirement system which covers substantially all regular full-time officers of the Kentucky State Police.

Teachers' Retirement System Fund - accounts for revenues and expenses of the retirement system which covers substantially all persons occupying positions in the public elementary and secondary schools for which a certificate is required, faculty members of five regional universities, the Superintendent of Public Instruction and the professional staff members of the Department of Education.

Judicial Retirement System Fund - accounts for revenues and expenses of the retirement system that covers all District Judges, Circuit Judges, Judges of the Court of Appeals, and Judges of the Supreme Court.

Legislators' Retirement System Fund - accounts for revenues and expenses of the retirement system that covers all members of the General Assembly.

County Employes Retirement System Fund - accounts for revenues and expenses of the retirement system that covers substantially all regular full-time employees of each county, local school board, and additional local agencies electing to participate in the System.

Kentucky Retirement System Insurance Fund - accounts for accident and health insurance benefits for members of the Kentucky Employes, State Police and County Employes Retirement Systems.

Agency Funds account for monies held by the Commonwealth for custodial purposes only. Kentucky uses the following Agency Funds:

Kentucky Public Employees Deferred Compensation System - accounts for deferred portions of eligible Commonwealth, county, and local school district employees' salaries withheld and remitted to either of two independently administered plans created in accordance with Internal Revenue Code Section 401(k) or 457.

County Sinking Fund - accounts for monies generated through the sale of bonds for specific uses by the counties.

Special Deposit Trust Fund - accounts for monies held by the Commonwealth and earmarked for specific purposes such as employee withholdings.

COMMONWEALTH OF KENTUCKY
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
JUNE 30, 1993
(Expressed in Thousands)

	Expendable Trust Funds	
	Unemployment Compensation	Special Benefits Fund
ASSETS		
CASH AND CASH EQUIVALENTS	$ 1,628	$ 46,006
CASH WITH FISCAL AGENTS		
CASH ON DEPOSIT WITH FEDERAL GOVERNMENT	386,224	
INVESTMENTS, NET OF AMORTIZATION		58,267
RECEIVABLES, NET	21,203	1,154
INTERFUND RECEIVABLES	295	2,392
INVENTORIES		
PREPAID EXPENSES		
BUILDINGS		
OTHER ASSETS		
TOTAL ASSETS	$ 409,350	$ 107,819
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
ACCOUNTS PAYABLE	$ 82,967	$ 13
INTERFUND PAYABLES		124
AMOUNTS HELD IN CUSTODY FOR OTHERS		
DEFERRED REVENUE	19,122	1,085
OTHER LIABILITIES		
TOTAL LIABILITIES	102,089	1,222
FUND EQUITY:		
RETAINED EARNINGS:		
UNRESERVED:		
FUND BALANCE:		
RESERVED FOR:		
EMPLOYEE RETIREMENT SYSTEMS		
INVENTORIES		
UNRESERVED:		
UNDESIGNATED	307,261	106,597
TOTAL FUND EQUITY	307,261	106,597
TOTAL LIABILITIES AND FUND EQUITY	$ 409,350	$ 107,819

Pension Trust	Agency Funds			Totals	
	Deferred Compensation	County Sinking	Special Deposit Trust	June 30, 1993	June 30, 1992
$ 1,175,854	$ 616	$ 1,730	$ 123,974	$ 1,349,808	$ 1,289,313
		177		177	281
				386,224	317,382
8,338,171	268,514		29,972	8,694,924	7,761,236
198,017	489		438	221,301	277,411
			284	2,971	5,246
					11
632				632	237
2,831				2,831	2,862
2				2	503
$ 9,715,507	$ 269,619	$ 1,907	$ 154,668	$ 10,658,870	$ 9,654,482
$ 22,007	$ 29	$	$	$ 105,016	$ 105,554
				124	1,652
	269,590	1,907	154,668	426,165	388,585
11,986				32,193	20,313
2,921				2,921	270
36,914	269,619	1,907	154,668	566,419	516,374
9,678,593				9,678,593	8,707,739
					11
				413,858	430,358
9,678,593				10,092,451	9,138,108
$ 9,715,507	$ 269,619	$ 1,907	$ 154,668	$ 10,658,870	$ 9,654,482

COMMONWEALTH OF KENTUCKY
COMBINING BALANCE SHEET
PENSION TRUST FUNDS
JUNE 30, 1993
(Expressed in Thousands)

	Kentucky Employes Retirement System	State Police Retirement System	Teachers' Retirement System
ASSETS			
CASH AND CASH EQUIVALENTS	$ 338,568	$ 24,784	$ 540,908
INVESTMENTS, NET OF AMORTIZATION	1,896,537	143,182	4,591,011
ACCRUED INVESTMENT INCOME	14,943	1,148	49,394
RECEIVABLES, NET	19,537	1,074	37,641
PREPAID EXPENSES			132
BUILDINGS			2,831
OTHER ASSETS			
TOTAL ASSETS	$ 2,269,585	$ 170,188	$ 5,221,917
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
ACCOUNTS PAYABLE	$ 6,962	$ 419	$ 10,098
DEFERRED REVENUE	8,811	514	37
OTHER LIABILITIES	2,439	185	297
TOTAL LIABILITIES	18,212	1,118	10,432
FUND EQUITY:			
FUND BALANCE:			
RESERVED FOR:			
EMPLOYEE RETIREMENT SYSTEM	2,251,373	169,070	5,211,485
TOTAL FUND EQUITY	2,251,373	169,070	5,211,485
TOTAL LIABILITIES AND FUND EQUITY	$ 2,269,585	$ 170,188	$ 5,221,917

Judicial Retirement System	Legislators' Retirement System	County Employes Retirement System	Kentucky Retirement System Insurance	Totals June 30, 1993	Totals June 30, 1992
$ 1	$ 4	$ 250,546	$ 21,043	$ 1,175,854	$ 1,152,434
91,999	23,673	1,453,905	137,864	8,338,171	7,390,668
945	351	7,652	2,631	77,064	78,261
31		55,815	6,855	120,953	106,405
			500	632	237
				2,831	2,862
1	1			2	503
$ 92,977	$ 24,029	$ 1,767,918	$ 168,893	$ 9,715,507	$ 8,731,370
$	$	$ 4,472	$ 56	$ 22,007	$ 23,361
			2,624	11,986	
				2,921	270
		4,472	2,680	36,914	23,631
92,977	24,029	1,763,446	166,213	9,678,593	8,707,739
92,977	24,029	1,763,446	166,213	9,678,593	8,707,739
$ 92,977	$ 24,029	$ 1,767,918	$ 168,893	$ 9,715,507	$ 8,731,370

COMMONWEALTH OF KENTUCKY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Unemployment Compensation	Special Benefits Fund	Totals For The Year Ended June 30, 1993	Totals For The Year Ended June 30, 1992
REVENUES:				
TAXES	$ 204,246	$ 185	$ 204,431	$ 193,571
LICENSES, FEES, AND PERMITS		998	998	109
INTERGOVERNMENTAL	98,633	3,382	102,015	115,197
CHARGES FOR SERVICES	10	127	137	94
FINES AND FORFEITS	3,470		3,470	2,393
INTEREST AND OTHER INVESTMENT INCOME	27,430	792	28,222	36,232
OTHER REVENUES	3,850	2,684	6,534	5,394
TOTAL REVENUES	337,639	8,168	345,807	352,990
EXPENDITURES:				
GENERAL GOVERNMENT		19,537	19,537	70
LEGISLATIVE AND JUDICIAL		25	25	16
EDUCATION AND HUMANITIES		545	545	51
HUMAN RESOURCES	336,940	912	337,852	349,072
TOTAL EXPENDITURES	336,940	21,019	357,959	350,109
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	699	(12,851)	(12,152)	2,881
OTHER FINANCING SOURCES (USES):				
OPERATING TRANSFERS IN		12,146	12,146	63,563
OPERATING TRANSFERS OUT	(1,605)	(14,900)	(16,505)	(19,690)
TOTAL OTHER FINANCING SOURCES (USES)	(1,605)	(2,754)	(4,359)	43,873
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(906)	(15,605)	(16,511)	46,754
FUND BALANCE AT JULY 1, AS RESTATED	308,167	122,202	430,369	383,589
INCREASE (DECREASE) IN INVENTORIES				11
RESIDUAL EQUITY TRANSFERS				15
FUND BALANCE AT JUNE 30	$ 307,261	$ 106,597	$ 413,858	$ 430,369

Whitehaven, built circa 1866. Abandoned in 1968 by its owner, because it was to be torn down for highway construction. Escaped destruction, and may be toured while at the rest stop on 1-24. Located in Paducah.

COMMONWEALTH OF KENTUCKY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Kentucky Employes Retirement System	State Police Retirement System	Teachers' Retirement System
OPERATING REVENUES:			
CONTRIBUTIONS	$ 150,190	$ 8,659	$ 459,719
INTEREST AND OTHER INVESTMENT INCOME	105,909	8,239	405,038
OTHER OPERATING REVENUES	81,208	6,570	
TOTAL OPERATING REVENUES	337,297	23,468	864,757
OPERATING EXPENSES:			
ADMINISTRATIVE EXPENSES	2,205	56	5,180
DEPRECIATION AND AMORTIZATION			133
BENEFITS	119,620	10,220	282,052
REFUND OF CONTRIBUTIONS	6,749	40	6,714
OTHER EXPENSES	1,827	139	43,027
TOTAL OPERATING EXPENSES	130,401	10,455	337,106
OPERATING INCOME (LOSS)	206,896	13,013	527,651
INCOME (LOSS) BEFORE OPERATING TRANSFERS	206,896	13,013	527,651
OPERATING TRANSFERS IN			
OPERATING TRANSFERS OUT	(22,370)	(2,921)	
NET INCOME (LOSS)	184,526	10,092	527,651
FUND EQUITY AT JULY 1	2,066,847	158,978	4,683,834
RESIDUAL EQUITY TRANSFER			
FUND EQUITY AT JUNE 30	$ 2,251,373	$ 169,070	$ 5,211,485

Judicial Retirement System	Legislators' Retirement System	County Employes Retirement System	Kentucky Retirement System Insurance	Totals For The Year Ended June 30, 1993	Totals For The Year Ended June 30, 1992
$ 2,738	$ 1,334	$ 182,532	$	$ 805,162	$ 749,331
5,087	1,122	73,074	8,028	606,497	576,919
		57,648	3,333	148,759	78,278
7,825	2,456	313,254	11,361	1,560,418	1,404,528
	52	2,679		10,172	9,559
				133	143
4,147	810	72,607	24,068	513,524	460,070
29	12	5,373		18,917	18,854
170	105	1,494	56	46,818	46,048
4,346	979	82,153	24,124	589,564	534,784
3,479	1,477	231,101	(12,763)	970,854	869,744
3,479	1,477	231,101	(12,763)	970,854	869,744
			47,837	47,837	43,391
		(22,546)		(47,837)	(43,391)
3,479	1,477	208,555	35,074	970,854	869,744
89,498	22,552	1,554,891	131,139	8,707,739	7,838,009
					(14)
$ 92,977	$ 24,029	$ 1,763,446	$ 166,213	$ 9,678,593	$ 8,707,739

COMMONWEALTH OF KENTUCKY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Balance July 1, 1992	Additions	Deductions	Balance June 30, 1993
KENTUCKY PUBLIC EMPLOYEES DEFERRED COMPENSATION SYSTEM				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 442	$ 285	$ 111	$ 616
CONTRIBUTIONS RECEIVABLE	547	(58)		489
INVESTMENTS	242,518	67,435	41,439	268,514
TOTAL ASSETS	$ 243,507	$ 67,662	$ 41,550	$ 269,619
LIABILITIES				
ACCOUNTS PAYABLE	$ 24	$ 29	$ 24	$ 29
AMOUNTS HELD IN CUSTODY FOR OTHERS	243,483	67,633	41,526	269,590
TOTAL LIABILITIES	$ 243,507	$ 67,662	$ 41,550	$ 269,619
COUNTY SINKING FUND				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 2,181	$ 3,764	$ 4,215	$ 1,730
CASH WITH FISCAL AGENTS	281		104	177
TOTAL ASSETS	$ 2,462	$ 3,764	$ 4,319	$ 1,907
LIABILITIES				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 2,462	$ 339	$ 894	$ 1,907
TOTAL LIABILITIES	$ 2,462	$ 339	$ 894	$ 1,907
SPECIAL DEPOSIT TRUST FUND				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 103,119	$ 1,319,797	$ 1,298,942	$ 123,974
ACCOUNTS RECEIVABLE		438		438
INVESTMENTS	39,400	227,199	236,627	29,972
DUE FROM OTHER FUNDS	121	284	121	284
TOTAL ASSETS	$ 142,640	$ 1,547,718	$ 1,535,690	$ 154,668
LIABILITIES				
AMOUNTS HELD IN CUSTODY FOR OTHERS	142,640	1,062,390	1,050,362	154,668
TOTAL LIABILITIES	$ 142,640	$ 1,062,390	$ 1,050,362	$ 154,668
ALL AGENCY FUNDS				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 105,742	$ 1,323,846	$ 1,303,268	$ 126,320
CASH WITH FISCAL AGENTS	281		104	177
ACCOUNTS RECEIVABLE		438		438
CONTRIBUTIONS RECEIVABLE	547	(58)		489
LONG TERM INVESTMENTS	281,918	294,634	278,066	298,486
DUE FROM OTHER FUNDS	121	284	121	284
TOTAL ASSETS	$ 388,609	$ 1,619,144	$ 1,581,559	$ 426,194
LIABILITIES				
ACCOUNTS PAYABLE	$ 24	$ 29	$ 24	$ 29
AMOUNTS HELD IN CUSTODY FOR OTHERS	388,585	1,130,362	1,092,782	426,165
TOTAL LIABILITIES	$ 388,609	$ 1,130,391	$ 1,092,806	$ 426,194

COMMONWEALTH OF KENTUCKY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETED EXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 1993
(Expressed in Thousands)

	Unemployment Compensation		
	Budget	Actual	Variance - favorable (unfavorable)
REVENUES:			
NONBUDGETED:			
TAXES	$	$ 205,856	$
INTERGOVERNMENTAL		127,057	
CHARGES FOR SERVICES		15	
FINES AND FORFEITS		3,470	
INTEREST AND OTHER INVESTMENT INCOME		27,486	
OTHER REVENUES		1,943	
TOTAL REVENUES		365,827	
EXPENDITURES:			
HUMAN RESOURCES			
DEPARTMENT FOR EMPLOYMENT SERVICES -			
UNEMPLOYMENT INSURANCE BENEFITS	364,641	336,232	28,409
TOTAL HUMAN RESOURCES	364,641	336,232	28,409
TOTAL EXPENDITURES	364,641	336,232	28,409
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		29,595	
FUND BALANCE AT JULY 1		319,767	
FUND BALANCE AT JUNE 30	$	$ 349,362	$

Waveland, built in 1847. A Greek Revival mansion built by Joseph Bryan, grandnephew of Daniel Boone. Located in Lexington.

GENERAL FIXED ASSETS ACCOUNT GROUP

The **General Fixed Assets Account Group** accounts for the Commonwealth's fixed assets, except those related to the proprietary funds, trust funds, and university and college funds.

COMMONWEALTH OF KENTUCKY
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 1993
(Expressed In Thousands)

GENERAL FIXED ASSETS:		
LAND	$	67,759
BUILDINGS		492,895
MACHINERY AND EQUIPMENT		474,335
CONSTRUCTION IN PROGRESS		182,390
TOTAL GENERAL FIXED ASSETS	$	1,217,379
INVESTMENT IN GENERAL FIXED ASSETS FROM:		
GENERAL FUND REVENUES	$	119,855
SPECIAL REVENUE FUNDS REVENUES		298,244
DONATIONS		15,442
OTHER		15,055
CAPITAL PROJECTS FUND:		
STATE APPROPRIATIONS		45,489
REVENUE BONDS		271,765
FEDERAL GRANTS		15,869
OTHER		5,890
FIXED ASSETS ACQUIRED PRIOR TO JULY 1, 1984 (A)		429,770
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	$	1,217,379

(A) FIXED ASSETS WITH AN UNDETERMINED FUNDING SOURCE ACQUIRED PRIOR TO JULY 1, 1984

COMMONWEALTH OF KENTUCKY
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
JUNE 30, 1993
(Expressed In Thousands)

FUNCTION AND ACTIVITY	Land	Buildings	Machinery And Equipment	Total June 30, 1993
GENERAL GOVERNMENT:				
CABINET FOR GENERAL GOVERNMENT (A)	$ 5,115	$ 26,610	$ 17,147	$ 48,872
FINANCE AND ADMINISTRATION CABINET	6,809	99,837	4,067	110,713
REVENUE CABINET			7,159	7,159
TOTAL GENERAL GOVERNMENT	11,924	126,447	28,373	166,744
LEGISLATIVE AND JUDICIAL	55		19,992	20,047
COMMERCE:				
ECONOMIC DEVELOPMENT CABINET (A)	13,035	7,578	1,122	21,735
TOURISM CABINET	21,571	4,617	13,663	39,851
TOTAL COMMERCE	34,606	12,195	14,785	61,586
EDUCATION AND HUMANITIES (A)	4,383	108,399	113,379	226,161
HUMAN RESOURCES	3,648	73,684	45,622	122,954
JUSTICE (A)	1,458	125,097	54,003	180,558
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	6,211	1,001	31,287	38,499
PUBLIC PROTECTION AND REGULATION:				
PUBLIC PROTECTION AND REGULATION CABINET (A)	47	220	8,540	8,807
LABOR CABINET			2,451	2,451
TOTAL PUBLIC PROTECTION AND REGULATION	47	220	10,991	11,258
TRANSPORTATION	5,427	45,852	155,903	207,182
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	67,759	492,895	474,335	1,034,989
CONSTRUCTION IN PROGRESS		182,390		182,390
TOTAL GENERAL FIXED ASSETS	$ 67,759	$ 675,285	$ 474,335	$ 1,217,379

(A) FIXED ASSETS TOTALING $116,596(000) WERE PREVIOUSLY REPORTED WITHIN THE ECONOMIC DEVELOPMENT CABINET; THE PUBLIC PROTECTION CABINET; THE GENERAL GOVERNMENT CABINET AND THE CORRECTIONS CABINET IN THE AMOUNTS OF $128,(000); $194,(000); $2,(000) AND $116,272(000) RESPECTIVELY. THESE AMOUNTS ARE NOW REPORTED UNDER THE FOLLOWING CABINETS: GENERAL GOVERNMENT- $194(000); EDUCATION AND HUMANITIES- $130(000) AND JUSTICE- $116,272(000).

COMMONWEALTH OF KENTUCKY
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
JUNE 30, 1993
(Expressed In Thousands)

FUNCTION AND ACTIVITY	General Fixed Assets June 30, 1992	Additions	Retirements	General Fixed Assets June 30, 1993
GENERAL GOVERNMENT:				
CABINET FOR GENERAL GOVERNMENT (A)	$ 49,558	$ 1,871	$ 2,557	$ 48,872
FINANCE AND ADMINISTRATION CABINET	107,466	3,581	334	110,713
REVENUE CABINET	6,919	1,209	969	7,159
TOTAL GENERAL GOVERNMENT	163,943	6,661	3,860	166,744
LEGISLATIVE AND JUDICIAL	17,388	3,180	521	20,047
COMMERCE:				
ECONOMIC DEVELOPMENT CABINET (A)	17,768	3,977	10	21,735
TOURISM CABINET	37,644	3,157	950	39,851
TOTAL COMMERCE	55,412	7,134	960	61,586
EDUCATION AND HUMANITIES (A)	219,098	9,571	2,508	226,161
HUMAN RESOURCES	119,842	4,272	1,160	122,954
JUSTICE (A)	167,008	17,311	3,761	180,558
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	36,802	3,557	1,860	38,499
PUBLIC PROTECTION AND REGULATION:				
PUBLIC PROTECTION AND REGULATION CABINET (A)	8,796	288	277	8,807
LABOR CABINET	1,983	545	77	2,451
TOTAL PUBLIC PROTECTION AND REGULATION	10,779	833	354	11,258
TRANSPORTATION	194,744	15,372	2,934	207,182
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	985,016	67,891	17,918	1,034,989
CONSTRUCTION IN PROGRESS	136,086	71,233	24,929	182,390
TOTAL GENERAL FIXED ASSETS	$ 1,121,102	$ 139,124	$ 42,847	$ 1,217,379

(A) FIXED ASSETS TOTALING $116,596(000) WERE PREVIOUSLY REPORTED WITHIN THE ECONOMIC DEVELOPMENT CABINET; THE PUBLIC PROTECTION AND REGULATION CABINET; THE GENERAL GOVERNMENT CABINET; AND THE CORRECTIONS CABINET IN THE AMOUNTS OF $128,(000); $194,(000); $2,(000) AND $116,272(000) RESPECTIVELY. THESE AMOUNTS ARE NOW REPORTED UNDER THE FOLLOWING CABINETS: GENERAL GOVERNMENT - $194(000); EDUCATION AND HUMANITIES - $130(000) AND JUSTICE - $116,272(000).

UNIVERSITY AND COLLEGE FUNDS

The **University and College Funds** account for all transactions relating to the eight State-supported universities within Kentucky, including the community colleges that are part of the University of Kentucky system. These institutions maintain their own financial records which are not a part of the central accounting system operated by the Finance and Administration Cabinet. The following universities and colleges are included:

Eastern Kentucky University
Kentucky State University
Morehead State University
Murray State University
Northern Kentucky University
University of Kentucky
(including community colleges)
University of Louisville
Western Kentucky University

COMMONWEALTH OF KENTUCKY
COMBINING BALANCE SHEET
ALL UNIVERSITY AND COLLEGE FUNDS
JUNE 30, 1993
(Expressed in Thousands)

	Current Funds				
	Unrestricted	Auxiliary Enterprises and Hospitals	Restricted	Loan	Endowment and Similar
ASSETS					
CASH AND CASH EQUIVALENTS	$ 81,175	$ 16,591	$ 24,607	$ 6,319	$ 3,720
INVESTMENTS, NET OF AMORTIZATION	77,193	683	53,430		254,368
RECEIVABLES, NET:					
STATE AGENCIES	195	2	2,870		
OTHERS	25,832	51,670	9,658	52,003	912
INTERFUND RECEIVABLES	27,559	330	7	299	
INVENTORIES	12,995	7,286	86		
LAND					
IMPROVEMENTS OTHER THAN BUILDINGS					
BUILDINGS AND IMPROVEMENTS					
MACHINERY AND EQUIPMENT					
LIBRARY BOOKS					
LIVESTOCK					
CONSTRUCTION IN PROGRESS					
OTHER ASSETS	3,094	8	245		884
TOTAL ASSETS	$ 228,043	$ 76,570	$ 90,903	$ 58,621	$ 259,884
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
ACCOUNTS PAYABLE:					
STATE AGENCIES	$ 590	$ 328	$ 42	$	$
OTHERS	52,293	4,273	2,432	26	124
ACCRUED LIABILITIES	27,002	8,012	10,686		
INTERFUND PAYABLES	5,593	571	27,851	35	2,593
CAPITAL LEASE OBLIGATIONS					
NOTES PAYABLE					
BONDS PAYABLE					
AMOUNTS HELD IN CUSTODY FOR OTHERS					21,646
DEPOSITS AND ADVANCE PAYMENTS	1,858	917	1,100		
DEFERRED REVENUE	22,004	1,062	1,132		
OTHER LIABILITIES	22,564	665	821		
TOTAL LIABILITIES	131,904	15,828	44,064	61	24,363
FUND EQUITY:					
INVESTMENT IN FIXED ASSETS					
FUND BALANCE:					
RESERVED FOR:					
ENCUMBRANCES	9,079	93			
CAPITAL OUTLAY					
RESTRICTED GIFTS, GRANTS, AND CONTRACTS	66,896	60,500	26,221	58,560	235,521
UNRESERVED:					
DESIGNATED FOR UNIVERSITIES AND COLLEGES	20,164	149	20,618		
TOTAL FUND EQUITY	96,139	60,742	46,839	58,560	235,521
TOTAL LIABILITIES AND FUND EQUITY	$ 228,043	$ 76,570	$ 90,903	$ 58,621	$ 259,884

Agency	Foundations	Plant Funds				Totals	
		Unexpended Plant	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant	June 30, 1993	June 30, 1992
$ 4,488	$ 23,588	$ 206,040	$ 65,567	$ 10,362	$	$ 442,457	$ 427,690
70	58,356	4,181	7,269	74,407		529,957	507,782
						3,067	3,599
139	18,885	3,279	1,379	1,019		164,776	154,521
62	3,799	873	4,004	3,916		40,849	52,137
						20,367	21,009
					49,479	49,479	49,402
					53,253	53,253	51,077
					1,482,818	1,482,818	1,384,937
	5,832				474,455	480,287	510,129
					175,001	175,001	166,207
					574	574	1,587
		106,053			6,322	112,375	107,667
101	6,612	114		492	6,655	18,205	21,241
$ 4,860	$ 117,072	$ 320,540	$ 78,219	$ 90,196	$ 2,248,557	$ 3,573,465	$ 3,458,985
$	$	$	$	$	$	$ 960	$ 1,024
172	10,971	6,920	168	2,133	137	79,649	74,135
						45,700	43,417
19	6	2,454	1,240	487		40,849	52,137
		20,163			59,913	80,076	74,057
	458				945	1,403	2,193
		187,211		18,821	575,118	781,150	795,507
4,645	2,137					28,428	4,475
						3,875	2,528
						24,198	23,736
24	5,419			5,481	564	35,538	47,050
4,860	18,991	216,748	1,408	26,922	636,677	1,121,826	1,120,259
	11,121				1,611,880	1,623,001	1,608,822
						9,172	7,702
		34,541	8,612	59,495		102,648	95,295
	86,960					534,658	472,268
		69,251	68,199	3,779		182,160	154,639
	98,081	103,792	76,811	63,274	1,611,880	2,451,639	2,338,726
$ 4,860	$ 117,072	$ 320,540	$ 78,219	$ 90,196	$ 2,248,557	$ 3,573,465	$ 3,458,985

STATISTICAL SECTION

The **Statistical Section** gives report users a better historical perspective of financial information that may assist in assessing current financial status and trends of the Commonwealth. In addition, certain demographic and economic data have been presented that will allow a broader understanding of the economic and social environment in which State Government operates.

COMMONWEALTH OF KENTUCKY
REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands)

SOURCE	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Taxes										
Sales and gross receipts	$ 1,231,677	$ 1,318,690	$ 1,367,593	$ 1,506,522	$ 1,608,557	$ 1,750,337	$ 1,793,125	$ 1,931,992	$ 2,259,989	$ 2,442,419
Individual income	727,829	762,946	810,330	909,434	1,003,287	1,149,519	1,228,462	1,642,691	1,629,678	1,676,263
Corporation income	198,359	211,189	233,674	267,299	255,704	310,793	279,494	319,338	271,022	254,797
Property	229,783	234,552	260,547	245,525	270,087	281,886	303,347	323,378	339,590	353,711
License and privilege	46,154	24,944	65,436	88,956	85,430	94,096	101,174	110,046	111,315	117,471
Coal severance	196,828	204,242	198,311	186,008	186,667	182,966	196,945	188,924	185,020	180,704
Inheritance and estate	43,167	50,825	54,939	49,245	48,785	53,752	67,013	68,597	77,241	71,040
Miscellaneous	897	22,819	86,308	71,563	51,618	104,839	111,662	118,327	116,692	125,636
Total Tax	$ 2,674,694	$ 2,830,207	$ 3,077,138	$ 3,324,552	$ 3,510,135	$ 3,928,188	$ 4,081,222	$ 4,703,293	$ 4,990,547	$ 5,222,041
Intergovernmental Revenue	$ 1,171,581	$ 1,339,707	$ 1,446,301	$ 1,416,882	$ 1,613,119	$ 1,624,227	$ 1,814,810	$ 2,158,400	$ 2,520,376	$ 2,688,830
Charges for Services	87,219	129,519	221,497	203,147	205,426	149,195	172,827	167,144	140,798	155,082
Licenses, Fees & Permits	108,057	108,971	77,988	137,333	91,739	114,074	119,750	126,840	138,877	161,510
Fines and Forfeitures	30,284	31,592	33,262	37,090	35,164	33,792	40,530	41,106	39,229	39,972
Interest and Investments	116,490	92,319	139,707	107,512	111,309	93,473	115,831	108,962	112,519	108,842
Other Income	67,836	140,130	87,401	114,177	82,380	76,944	90,050	136,338	80,241	134,915
Total Non-Tax Income	$ 1,581,467	$ 1,842,238	$ 2,006,156	$ 2,016,141	$ 2,139,137	$ 2,091,705	$ 2,353,798	$ 2,738,790	$ 3,032,040	$ 3,289,151
Total Revenue	$ 4,256,161	$ 4,672,445	$ 5,083,294	$ 5,340,693	$ 5,649,272	$ 6,019,893	$ 6,435,020	$ 7,442,083	$ 8,022,587	$ 8,511,192

COMMONWEALTH OF KENTUCKY
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands)

FUNCTION	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
General government	$ 189,631	$ 278,551	$ 305,769	$ 426,256	$ 285,298	$ 374,234	$ 338,573	$ 300,969	$ 236,096	$ 444,901
Legislative and judicial	71,993	70,035	79,252	81,726	93,075	93,813	103,564	111,920	119,345	120,036
Commerce	43,246	33,972	35,979	28,602	30,051	42,043	48,225	40,485	41,512	37,279
Education and humanities	1,229,218	1,263,757	1,324,469	1,479,674	1,631,588	1,669,905	1,935,653	2,302,807	2,511,764	2,597,056
Energy	11,648	3,400	7,549	11,043	11,097	1,974	0	0	0	0
Human resources	1,122,061	1,237,813	1,373,846	1,396,916	1,640,146	1,732,736	2,010,819	2,495,859	2,916,988	3,129,059
Justice	72,296	69,543	75,037	75,214	78,228	89,452	79,958	98,068	101,291	229,972
Natural resources and environmental protection	47,019	45,940	50,669	52,313	54,373	59,217	64,349	98,517	56,919	83,481
Corrections	58,682	77,035	81,697	90,925	100,953	111,557	128,093	150,637	158,260	0
Public protection and regulation	51,322	53,425	54,632	57,024	64,414	64,445	68,341	72,138	73,888	83,322
Transportation	702,908	708,854	738,707	770,806	929,712	727,519	734,592	813,903	976,826	874,160
Capital outlay	110,497	79,372	94,214	106,231	116,415	75,912	89,042	125,600	201,665	151,159
Debt service	265,130	194,722	345,026	263,466	221,712	240,029	275,743	334,487	413,450	284,323
TOTALS	$ 3,975,651	$ 4,116,419	$ 4,566,846	$ 4,840,196	$ 5,257,062	$ 5,282,836	$ 5,876,952	$ 6,945,390	$ 7,808,004	$ 8,034,748

SOURCE: 1984 through 1985: Commonwealth of Kentucky Annual Financial Report
1986 and thereafter: Commonwealth of Kentucky Comprehensive Annual Financial Report

NOTE: In 1990 the Energy Function was distributed among other functions. In 1993 the Corrections Function was combined into the Justice Function.

DESCRIPTION OF TAX SOURCES - ALL GOVERNMENTAL FUND TYPES

JUNE 30, 1993

SALES AND USE - On July 1, 1960, Kentucky became the thirty-fourth state to enact a sales and use tax. Although the tax was broad based at the time of its inception, the sales and use tax has been significantly eroded over the years with the passage of new exemptions. This has been partially offset with rate increases in 1968 (3% to 5%) and 1990 (5% to 6%), and expansion of the tax base in 1985 to cover leases and rentals of tangible personal property. During fiscal 1993, the sales and use tax continued to be the second largest generator of General Fund revenue for the Commonwealth.

COAL SEVERANCE - Kentucky's coal severance tax became effective April 1, 1972, and was intended to replace a major portion of the revenue expected to be lost by the exemption of groceries from the sales tax. It was the first major severance tax among the states. The initial rate of 4% on the gross value of coal mined in Kentucky or thirty cents per ton, whichever is greater, was raised to 4.5% of the gross value of coal mined or fifty cents per ton, whichever is greater, in 1976. In 1978, the statute was revised to include the taxation of coal processing and add a deduction from the gross value for the cost of transportation. A 1986 amendment provides that coal producing and coal impact counties are to receive a minimum of 10% of coal severance and processing taxes for FY 1986-87 and 12% for subsequent years. The 1992 General Assembly increased this amount to 15% for FY 1992-93, 18% for 93-94, 25% for 94-95, and 50% for 95-96.

MOTOR FUELS - In 1920, Kentucky became the fifth state to adopt a gasoline tax. The initial rate of one cent per gallon reached five cents per gallon by 1926. Effective April 1, 1948, the tax per gallon was raised to seven cents, with two-sevenths of the total set aside for rural and secondary roads. On July 1, 1962, administration of the motor fuels use tax was transferred from the Department of Revenue to the Department of Motor Transportation, and on July 1, 1972, the tax rate increased to nine cents per gallon. Effective July 1, 1980, the rate was changed to 9% of the weighted average wholesale tank wagon price for sale in Kentucky. In no case shall the average wholesale price be deemed to be less than one dollar and eleven cents per gallon, nor more than one dollar and fifty cents per gallon. On July 1, 1986, the tax on gasoline and LP gas was increased five cents per gallon and the tax on special fuels was increased two cents per gallon.

MOTOR VEHICLE REGISTRATION - The 1936 General Assembly fixed a flat $4.50 registration fee (plus fifty cents for the County Clerk) for passenger cars. Similar fees were enacted in 1938 for farm trucks and in 1944 for church buses, water well drillers, and certain wreckers. Truck licenses were changed to a graduated "gross weight" basis in 1964. The current $11.50 fee for passenger cars, farm trucks, and the lightest trucks was passed in 1968. In 1973, all motor vehicle registration functions were transferred from the Department of Revenue to the Department of Transportation and the apportioned registration of commercial vehicles began. Current rates for heavier trucks range from $24 (6,001-10,000 lbs.) to $840 (73,281-82,000 lbs.) with extended weight tags required for still heavier vehicles.

INDIVIDUAL INCOME TAX - The individual income tax became effective for income earned during calendar year 1936 and produced its first revenue during fiscal year 1936-37. The initial rates ranged from 2% on the first $3,000 of income to 5% on all over $5,000. In 1950, a rate of 6% was imposed on income in excess of $8,000. In 1954, Kentucky became the fourth state to implement a withholding system and also adopted the federal definition of net income. Net income is computed using the Internal Revenue Code in effect on December 31, 1991, for tax years beginning after that date. The rates currently applied to net income are: 2% of the first $3,000; 3% of the next $1,000; 4% of the next $1,000; 5% of the next $3,000; and 6% of the excess over $8,000. The present tax credit of $20 went into effect in 1961 and the current standard deduction of $650 was adopted in 1976. A low income tax credit of 5% to 100% for single persons or married couples with adjusted gross income of $25,000 or less was enacted in 1990.

CORPORATION INCOME TAX - The corporate income tax was enacted to first apply to calendar 1936 income. The rate was 4% of net income assigned to Kentucky after deduction of federal income taxes. This rate was changed to 4.5% in 1950 and again to 5% of the first $25,000 of taxable income and 7% of all in excess thereof in 1956. In 1972, the federal tax deduction was removed and the state rate reduced to 4% of the first $25,000 and 5.8% on the excess. Tax rates beginning on January 1, 1980, are: first $25,000 at 3%; next $25,000 at 4%; next $50,000 at 5%; and the excess over $100,000 at 6%. The 1985 Special Session of the General Assembly passed the Kentucky Equity Tax Act (KETA) into law. KETA mandated a State depreciation system separate from the federal system. This new Kentucky system allowed corporate taxpayers to recover the entire cost of property through depreciations compared to recovery

of 71% of cost using the Accelerated Cost Recovery System (ACRS) as adjusted for under prior Kentucky Law. KETA also added a new graduated rate of 7.25% of taxable income in excess of $250,000 of taxable income effective August 1, 1985.

The 1990 session of the General Assembly replaced the Kentucky depreciation system with the depreciation and expense deductions allowed by Section 168 and 179 of the Internal Revenue Code in effect on December 31, 1989, effective for property placed in service after December 31, 1989. The tax rates beginning on January 1, 1990 are: first $25,000 at 4%; next $25,000 at 5%; next $50,000 at 6%; next $150,000 at 7%; and all over $250,000 at 8.25%. Effective for tax years beginning after December 31, 1991, net income is computed using the Internal Revenue Code in effect on December 31, 1991.

PROPERTY TAX - The most marked changes in taxation during the past 42 years have occurred in the property tax. Prior to 1934, the property tax was the State's major revenue source. In that year, an attempt to remove the tax on real estate was ruled unconstitutional. The tax rate was then reduced from 30 cents to 5 cents per $100 assessed value. The 1965 Special Session of the General Assembly further reduced the rate on real estate from five cents to 1.5 cents and on tangible property from 50 cents to 15 cents. House Bill 4, passed in the 1976 regular session of the General Assembly, established the power equalization program for school funding and raised the State tax rate on real property from 1.5 cents to 31.5 cents per $100 of assessed value and the tax rate on tangible personal property from 15 cents to 45 cents per $100 of assessed value. This increase in the State property tax rate was accompanied by a 30 cents per $100 of assessed value decrease in local school tax rates. House Bill 44, enacted by the 1979 extraordinary legislative session, established a new rate setting mechanism, which limited the increase in aggregate revenues for all taxing districts in general, and specifically limited the State rate for real estate to no greater than necessary to provide a 4% increase in revenue from year to year. As a result, the State tax rate on real property has dropped 41.6% from 31.5 cents per $100 in 1978 to 18.4 cents per $100 in 1992.

INHERITANCE AND ESTATE TAX - The inheritance tax began in Kentucky in 1906 and provided that all property of persons residing in the State and property within the State owned by non-residents shall be subject to a tax of $5 on each $100 of its fair cash value at the times of their deaths. The original exemption was $500. In 1936, 1948, 1976, 1978, and 1985 various changes in the then existing legacy brackets and exemptions were legislated into law. Effective for dates of death on or after August 1, 1985, the surviving spouse's exemption for inheritance tax increases from the previous $50,000 to the total inheritable interest, and the tax rates for others range from 2% to 16% depending on the heir's classification and distributive share. An additional exemption of personal property (up to $7,500) is available upon application to the district court by the surviving children (when there is no surviving spouse), regardless of whether the decedent died testate or intestate. The estate tax is an amount by which the State death tax credit allowable under the federal estate tax law exceeds the inheritance tax.

COMMONWEALTH OF KENTUCKY
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR CALENDAR YEARS 1983 - 1992

(Expressed in Thousands Except Ratio Data)

For the Year Ended December 31	Real Property		Personal Property		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1983	$ 47,093,751	$ 49,520,243	$ 66,774,624	$ 66,774,624	$ 113,868,375	$ 116,294,867	97.9%
1984	49,509,797	52,335,938	74,630,642	74,630,642	124,140,439	126,966,580	97.8%
1985	51,548,950	55,191,595	80,531,235	80,531,235	132,080,185	135,722,830	97.3%
1986	54,424,249	57,591,798	87,946,889	87,946,889	142,371,138	145,538,687	97.8%
1987	57,406,207	61,265,936	98,039,467	98,039,467	155,445,674	159,305,403	97.6%
1988	61,308,019	65,320,574	101,100,506	101,100,506	162,408,525	166,421,080	97.6%
1989	63,730,690	72,466,699	117,635,547	117,635,547	181,366,237	190,102,246	95.4%
1990	69,798,888	80,228,607	124,398,999	124,398,999	194,197,887	204,627,606	94.9%
1991	74,626,422	84,802,752	132,552,592	132,552,592	207,179,014	217,355,344	95.3%
1992	78,150,012	87,809,002	140,318,571	140,318,571	218,468,583	228,127,573	95.8%

SOURCE: Kentucky Revenue Cabinet

NOTE: Assessed values are established through the utilization of an annual ad valorem tax based on the fair value of the property.

COMMONWEALTH OF KENTUCKY
PROPERTY TAX LEVIES AND COLLECTIONS
FOR FISCAL YEARS 1983-1992

(Expressed in Thousands Except for Percentages)

For the Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Deliquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
1983	$ 218,659	$ 199,002	91.0%	$ 4,338	$ 203,340	93.0%
1984	227,109	222,512	98.0%	7,104	229,616	101.1%
1985	251,032	227,564	90.7%	7,149	234,713	93.5%
1986	264,761	244,974	92.5%	9,544	254,518	96.1%
1987	264,271	239,541	90.6%	11,768	251,309	95.1%
1988	290,148	258,673	89.2%	11,239	269,912	93.0%
1989	292,001	270,216	92.5%	11,673	281,889	96.5%
1990	317,574	295,729	93.1%	7,617	303,346	95.5%
1991	342,116	313,503	91.6%	9,871	323,374	94.5%
1992	355,821	329,783	92.7%	8,765	338,548	95.1%

SOURCE: Kentucky Revenue Cabinet

NOTE: Property taxes are assessed as of January 1 of each year in one of two ways: 1) By the 120 Property Valuation Administrators within the State, or 2) by the Revenue Cabinet. The tax rates are set by the various taxing jurisdictions and applied to the particular assessment. Tax bills are delivered by September 15 of each year.

COMMONWEALTH OF KENTUCKY
RATIO OF GENERAL LONG-TERM BONDED DEBT TO ASSESSED VALUE AND DEBT PER CAPITA FOR LAST TEN FISCAL YEARS

(Expressed in Thousands Except Ratio and Per Capita Debt)

For the Year Ended June 30	Estimated Population		Assessed Value		General Bonded Debt: General Long-term Bonded Debt	General Bonded Debt: Ratio to Assessed Value	General Bonded Debt: Per Capita
1984	3,695		$ 124,140,439		$ 1,641,386	1.3%	$ 444
1985	3,695		132,080,185		1,639,050	1.2%	444
1986	3,688		142,371,138		1,731,292	1.2%	469
1987	3,683		155,445,674		2,068,313	1.3%	562
1988	3,680		162,408,525		2,205,049	1.4%	599
1989	3,677		181,366,237		2,243,965	1.2%	610
1990	3,685	1990 Census	194,197,887		2,292,249	1.2%	622
1991	3,713		207,179,014		2,790,549	1.3%	752
1992	3,755		218,468,583		2,819,240	1.3%	751
1993	3,737	Projected	229,392,012	Estimated	3,144,038	1.4%	841

SOURCE: University of Louisville Center for Urban and Economic Research; Kentucky Revenue Cabinet; Office for Financial Management and Economic Analysis bond reporting system.

NOTE: General long-term bonded debt outstanding includes adjustments to eliminate bonds accounted for by Proprietary Funds, State Universities, as well as adjustments reflecting updated amortization schedules, bonds redeemed prior to scheduled maturity, and correction of maturity schedule errors.

COMMONWEALTH OF KENTUCKY
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT TO TOTAL EXPENDITURES FOR GENERAL GOVERNMENTAL FUNCTIONS FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands Except Ratio Data)

For the Year Ended June 30	General Long-Term Debt Service	Total Expenditures	Ratio
1984	$ 212,362	$ 3,975,651	5.3%
1985	187,793	4,116,419	4.6%
1986	256,318	4,566,846	5.6%
1987	210,833	4,840,196	4.4%
1988	217,848	5,257,062	4.1%
1989	230,626	5,282,836	4.4%
1990	260,347	5,876,952	4.4%
1991	334,487	6,945,390	4.8%
1992	413,450	7,808,004	5.3%
1993	284,323	8,043,748	3.5%

SOURCE: Commonwealth of Kentucky Annual Financial Report; Debt Service Fund Cash Control Report and the Transportation Fund Allotment Detail Report.

COMMONWEALTH OF KENTUCKY
STATE PARKS FUND REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands Except Coverage)

For the Year Ended June 30	Revenue (1)	Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements	Coverage
1984	$ 43,269	$ 40,669	$ 2,600	$ 1,455	1.79
1985	43,592	40,097	3,495	1,460	2.39
1986	54,159	49,097	5,062	1,447	3.50
1987	51,477	47,093	4,384	1,437	3.05
1988	59,903	50,869	9,034	1,440	6.27
1989	51,218	53,985	(2,767)	1,446	(1.91)
1990	57,805	50,182	7,623	1,347	5.66
1991	56,049	59,280	(3,231)	1,456	(2.22)
1992	57,454	56,597	857	1,456	0.59
1993	62,328	64,209	(1,881)	703	(2.68)

SOURCE: Commonwealth of Kentucky Comprehensive Annual Financial Reports for fiscal years ended June 30, 1984 through 1993; Office for Financial Management and Economic Analysis bond reporting system.

NOTES: (1)includes operating and nonoperating revenues plus operating tranfers in;
(2) includes operating expenses, nonoperating expenses, operating transfers out and other financing uses, less depreciaton and interest expense.

COMMONWEALTH OF KENTUCKY
UNIVERSITY AND COLLEGE FUNDS REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands Except Coverage)

For the Year Ended June 30	Unrestricted Current Funds Beginning Balance	Unrestricted Current Funds Revenues And Additions	Unrestricted Current Funds Expenditures And Transfers	Net Revenue Available for Debt Service Requirements	Debt Service Requirements	Coverage
1984	$ 70,507	$ 718,953	$ 718,289	$ 71,171	$ 36,674	1.94
1985	71,508	747,986	733,172	86,322	38,194	2.26
1986	93,931	831,843	820,843	104,931	46,826	2.24
1987	105,421	887,338	873,461	119,298	41,801	2.85
1988	121,257	970,955	954,275	137,937	50,693	2.72
1989	137,898	1,047,740	1,062,988	122,650	57,345	2.14
1990	122,650	1,125,850	1,115,634	132,866	57,802	2.30
1991	132,486	1,268,409	1,262,373	138,522	64,195	2.16
1992	139,539	1,377,283	1,372,630	144,192	73,763	1.95
1993	144,239	1,378,410	1,365,768	156,881	108,448	1.45

SOURCE: Commonwealth of Kentucky Comprehensive Annual Financial Reports for fiscal years ended June 30, 1984 through 1993; state universities' audited financial statements.

COMMONWEALTH OF KENTUCKY
DEMOGRAPHIC STATISTICS
FOR CALENDAR YEARS 1983-1992

For the Year Ended December 31	Estimated Population	Per Capita Income	Unemployment Rate
1983	3,694,469	9,584	11.7%
1984	3,695,459	10,660	9.3%
1985	3,694,816	11,067	9.5%
1986	3,687,805	11,601	9.3%
1987	3,683,330	12,216	8.8%
1988	3,680,002	12,991	7.9%
1989	3,677,316	13,998	6.2%
1990	3,685,296 (1)	14,984	5.8%
1991	3,713,477	15,626	7.4%
1992	3,755,000 (2)	16,534	6.9%

SOURCE: U.S. Department of Commerce, Bureau of Census; U.S. Department of Commerce, Bureau of Economic Analysis; Kentucky Cabinet for Human Resources.

(1) Actual population per 1990 census count.
(2) U.S. Bureau of the Census Estimate

COMMONWEALTH OF KENTUCKY
CONSTRUCTION AND BANK DEPOSITS
FOR CALENDAR YEARS 1983-1992
(Expressed in Thousands Except Number of Units)

For the Year Ended December 31	Non-residential Construction		Residential Construction		Bank Deposits
	Number of Units	Value	Number of Units	Value	
1983	10,709	$ 422,998	11,839	$ 421,816	$ 20,888,000
1984	7,122	476,900	13,276	482,753	22,658,000
1985	8,260	591,720	13,770	522,626	24,191,000
1986	8,611	540,620	13,503	641,647	26,518,536
1987	8,684	630,533	13,223	740,040	27,990,271
1988	8,318	682,821	13,363	786,711	29,908,656
1989	8,254	626,716	12,656	779,383	31,741,423
1990	7,823	655,650	11,810	771,010	33,487,743
1991	7,908	582,450	11,961	784,108	34,076,826
1992	8,437	677,181	14,689	1,023,682	34,882,000

SOURCE: U.S. Department of Commerce, Bureau of Census; Federal Deposit Insurance Corporation

COMMONWEALTH OF KENTUCKY
SOURCES OF PERSONAL INCOME
FOR CALENDAR YEARS 1983 - 1992

(Expressed in Thousands Except for Percentages)

	1983		1984		1985		1986		1987	
Source	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Farm	$ 145,406	0.6%	$ 1,091,054	3.9%	$ 786,909	2.7%	$ 525,975	1.8%	$ 659,863	2.1%
Agriculture Services, Forestry, Fisheries, and Other	120,796	0.5%	141,922	0.5%	155,911	0.5%	162,972	0.5%	205,106	0.6%
Mining	1,747,801	7.1%	1,986,638	7.2%	1,931,407	6.7%	1,820,976	6.1%	1,618,104	5.1%
Manufacturing	5,826,209	23.8%	6,488,078	23.4%	6,638,545	23.1%	6,779,318	22.8%	7,239,050	22.6%
Construction	1,284,731	5.2%	1,444,179	5.2%	1,513,500	5.3%	1,727,204	5.8%	1,941,718	6.1%
Wholesale and Retail Trade	4,039,449	16.5%	4,430,495	16.0%	4,714,949	16.4%	4,916,328	16.5%	5,188,245	16.2%
Finance, Insurance, and Real Estate	1,023,919	4.2%	1,063,872	3.8%	1,107,624	3.9%	1,207,713	4.1%	1,362,494	4.3%
Transportation and Public Utilities	1,831,722	7.5%	1,996,512	7.2%	2,076,494	7.2%	2,153,871	7.2%	2,300,203	7.2%
Services	4,135,250	16.9%	4,547,637	16.4%	4,882,459	17.0%	5,388,375	18.1%	5,994,058	18.8%
Government and Government Enterprises	4,331,519	17.7%	4,566,005	16.5%	4,870,894	17.0%	5,106,730	17.1%	5,457,706	17.1%

	1988		1989		1990		1991		1992	
Source	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Farm	$ 707,933	2.1%	$ 1,045,194	2.9%	$ 1,050,342	2.7%	$ 1,087,952	2.6%	$ 1,300,049	2.9%
Agriculture Services, Forestry, Fisheries, and Other	209,072	0.6%	205,710	0.6%	232,360	0.6%	260,233	0.6%	265,421	0.6%
Mining	1,548,259	4.5%	1,521,065	4.2%	1,662,378	4.2%	1,558,903	3.8%	1,544,620	3.4%
Manufacturing	7,808,984	22.9%	8,274,621	22.6%	8,794,482	22.4%	8,873,365	21.6%	9,587,014	21.4%
Construction	2,023,472	5.9%	2,150,636	5.9%	2,226,261	5.7%	2,173,932	5.3%	2,505,964	5.6%
Wholesale and Retail Trade	5,514,093	16.2%	5,885,239	16.1%	6,213,968	15.8%	6,518,216	15.8%	6,989,798	15.6%
Finance, Insurance, and Real Estate	1,398,383	4.1%	1,429,132	3.9%	1,552,219	4.0%	1,654,133	4.0%	1,790,727	4.0%
Transportation and Public Utilities	2,442,498	7.2%	2,617,281	7.1%	2,825,916	7.2%	3,011,690	7.3%	3,249,060	7.2%
Services	6,659,743	19.5%	7,336,846	20.0%	8,128,629	20.7%	8,811,976	21.4%	9,802,773	21.8%
Government and Government Enterprises	5,817,462	17.0%	6,160,894	16.8%	6,604,043	16.8%	7,181,155	17.5%	7,832,818	17.5%

SOURCE: U. S. Bureau of Economic Analysis; Regional Economic Information System, May, 1993.

Percentages may not add to 100% due to rounding.

COMMONWEALTH OF KENTUCKY
LARGEST MANUFACTURERS
(Ranked by Number of Employees - 800 or More)
1993

Company	Number of Plants	Number of Employees
General Electric Company	7	14,555
Fruit of the Loom, Incorporated	6	9,775
Ford Motor Company	2	6,200
Toyota Motor Corporation	1	4,700
Lexmark International, Incorporated	1	4,000
Emerson Electric Company	10	3,578
Armco Incorporated	1	3,500
Philip Morris Companies, Incorporated	1	3,356
Naval Ordnance Station	1	2,500
Johnson Controls, Incorporated	9	2,262
Alcan Aluminum Corporation	5	2,088
R. R. Donnelly and Sons Company	2	2,034
Oshkosh B'Gosh, Incorporated	5	2,005
Sumitomo Electric Wiring System Inc.	3	1,855
Jockey International, Incorporated	5	1,846
Courtaulds PLC	2	1,830
Martin Marietta Corporation	1	1,800
Jones Plastic and Engineering Corporation	5	1,758
American Greetings Corporation	2	1,696
Eaton Corporation	3	1,643
Fisher Price	1	1,600
General Motors Corporation	3	1,600
General Tire Incorporated	1	1,600
CONAGRA, Incorporated	6	1,536
Kentucky Apparel and Laundry Co. Inc.	9	1,503
Reynolds Metals Company	5	1,483
American Standard, Incorporated	3	1,468
U. S. Shoe Corporation	4	1,464
Henry Vogt Machine Company	1	1,395
Duro Bag Manufacturing Company	3	1,326
Ashland Oil, Incorporated	3	1,318
Brown-Forman Corporation	4	1,289
GTE Products Corporation	5	1,289
Carhartt Incorporated	5	1,217
The Apparel Group	1	1,200
Leggett and Platt, Incorporated	4	1,184
The Square D Company	1	1,175
Gannett Company, Incorporated	1	1,130
Corning Glass Works	3	1,111
Louisville Bedding Company	2	1,100
Phelps Dodge Corporation	2	1,100
N.S. Group, Incorporated	2	1,090
Publishers Printing Company	2	1,080
American Brands, Incorporated	4	1,078
Palm Beach Company	2	1,058
Flynn Enterprises Incorporated	5	1,052
Rand McNally and Company	2	1,018
Cooper Industries	4	995
COMALCO	1	950
Midsouth Industries	2	900
United Catalysts, Incorporated	1	900
B.F. Goodrich Company	3	879
Southwire Company	2	850
Big Yank, Incorporated	4	845
Kendall Company	2	800
Phillips Lighting Company	2	800
Tecumseh Products Company	1	800

SOURCE: 1993 Kentucky Directory of Manufacturers, published by the Department of Economic Development.

COMMONWEALTH OF KENTUCKY
ENTITY RISK POOLS
CLAIMS DEVELOPMENT INFORMATION
FOR THE LAST FIVE YEARS
(Expressed in Thousands)

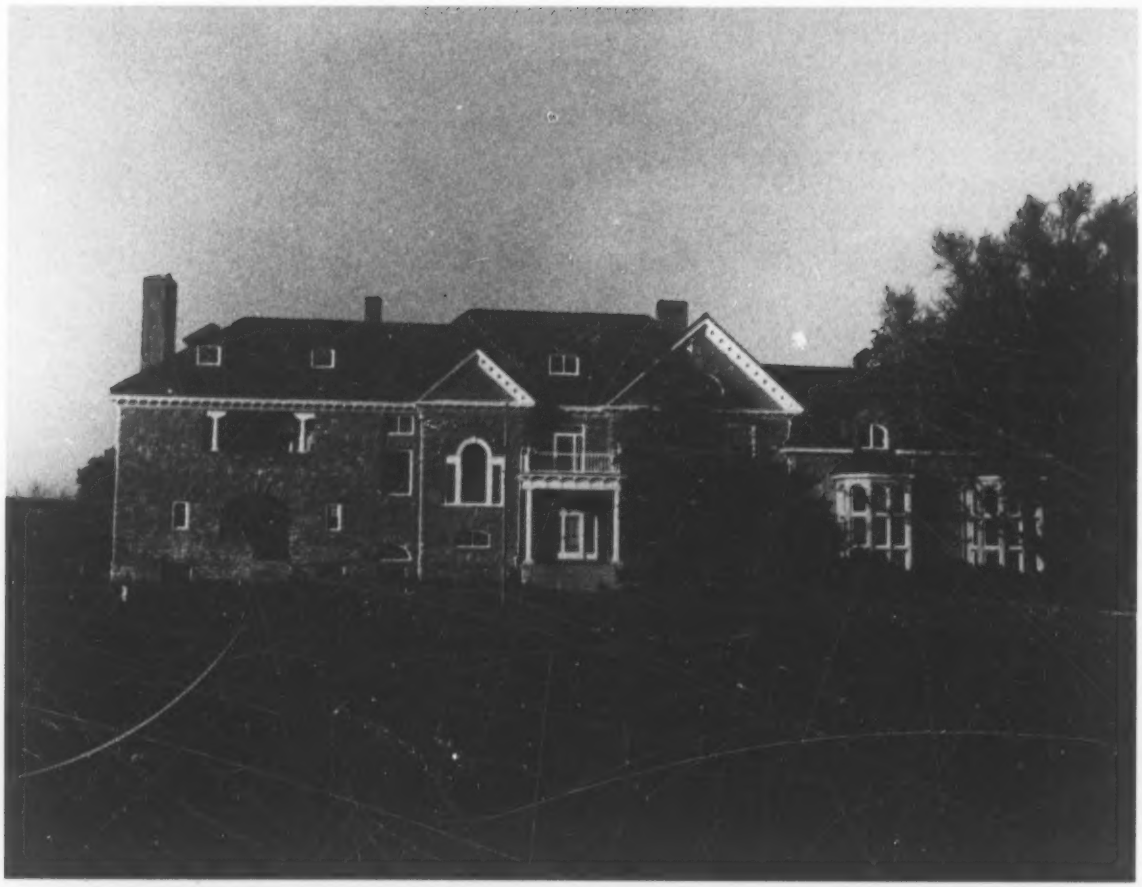
Kentucky Kare

	Fiscal and Policy Year Ended				
	1989	1990	1991	1992	1993
Earned premiums	$ 57,750	$ 92,522	$ 111,010	$ 136,636	$ 155,334
Earned investment income	1,339	2,966	3,448	3,289	3,322
	59,089	95,488	114,458	139,925	158,656
Administrative expense	3,035	4,663	5,193	5,591	5,887
Incurred claims as originally estimated	46,870	78,871	94,646	117,570	128,942
Claims paid (cumulative) as of:					
End of fiscal year	31,920	62,673	75,954	96,279	109,559
One year later	46,607	77,552	95,956	113,587	
Two years later	48,051	78,565	95,956		
Three years later	48,051	78,565			
Four years later	48,051				
Re-estimation of incurred claims					
End of fiscal year	46,870	78,871	94,646	117,570	128,942
One year later	46,870	78,915	96,132	113,739	
Two years later	48,051	78,565	95,976		
Three years later	48,051	78,565			
Four years later	48,051				
Increase (decrease) in estimated incurred claims from the original estimate using re-estimation as of end of most recent fiscal year	1,181	(306)	1,330	(3,831)	

COMMONWEALTH OF KENTUCKY
SCHEDULE OF MISCELLANEOUS STATISTICS
JUNE 30, 1993

Adoption of Kentucky Constitution	1792
Form of Government	Legislative, Executive, Judicial
Land Area (square miles)	39,650
Miles of Highways, Roads, and Streets	71,765
Police Protection:	
Statewide Jurisdiction	
Number of Kentucky State Police Posts	16
Number of Sworn Officers	900
Number of Other Statewide Agencies	5
Number of Officers	475
County Jurisdictions	
Number of Sheriffs	120
Number of Deputies	902
Number of County Departments	10
Number of County Officers	531
Local Jurisdictions	
Number of Departments	230
Number of Sworn Officers	3,435
Higher Education:	
State Supported Universities and Community Colleges	
Number of Campuses	22
Number of Full-time Instructional Faculty	5,174
Number of Students, Fall 1992	159,284
Private Colleges and Universities	
Number of Campuses	21
Number of Full-time Instructional Faculty	1,107
Number of Students	21,868
State Supported Recreation:	
Number of Resort Parks	15
Number of Recreation Parks	22
Number of Historic Sites	10
Area of State Parks (acres)	43,500
Number of 1992 Overnight Visitors	1,127,500
Permanent Full-time Executive Branch Employees	35,447

SOURCES:
Kentucky Revised Statutes
Kentucky Transportation Cabinet
Kentucky State Police
Kentucky Council on Higher Education
Kentucky Department of Parks
Kentucky Department of Personnel



Berry Hill/Juniper Hill, built 1900. Three story Classical mansion was designed by Hill Dodd. Former location of Kentucky Dept. of Libraries. Located in Frankfort.